anniversary of this great undertaking. This massive Allied effort to provide relief to a post war Berlin held hostage by the Soviet Union displayed to the world, the resolve of the western world to fight oppression and began a long fight against Soviet Communism that culminated with the collapse of the Berlin Wall.

The former Soviet Union, Britain, France and the United States occupied separate sectors of Germany after World War II. Berlin, located in the Soviet zone of Germany, was occupied in a similar fashion. In response to a failing economy the Western powers undertook an effort to reform the German currency. The Soviet Union, meanwhile, kept the old German currency from entering its zones by banning, on June 24, 1948, all travel into and out of the Western half of the city. The Soviets also cut the supply of electricity to this zone. Berlin's economy was in ruins and its citizens were under virtual seige.

The response to this blockade was one of the most heroic and monumental undertakings in history. For fifteen months Allied transport planes shipped food, coal and supplies into Berlin. During the height of this effort airplanes were taking off every three minutes, twenty four hours a day, while delivering daily 14,000 tons of supplies. All told, 2,326,205 tons of supplies were delivered by 277,728 flights in the face of Soviet efforts to thwart the Allies.

Mr. President, these numbers do not speak to the personal stories of those who organized and participated in the Berlin airlift, the sacrifices they made and the selflessness they displayed. They do not speak to the lives lost during the operation, 31 of which were American. They do not speak to the gratitude those in Berlin felt toward the Allies who were so willing after such a brutal war, to provide them with life-sustaining relief. Mr. President, let us all keep these ideas in mind as we remember the Berlin Airlift, what it meant to the world in a post World War II environment, and what it has come to mean to us today.

Finally, Mr. President I would like to note that next week, on July 2, 1998, a delegation with representatives from the Berlin Sculpture Fund will visit Berlin to present a gift of art to the citizens of the Federal Republic of Germany in commemoration of the 50th Anniversary of the Berlin Airlift. The Berlin Sculpture Fund and its Chairman, General John Mitchell, should be commended for their work to commemorate this event and the impact it made on our world's history.

Mr. LOTT. I ask unanimous consent that the amendment be agreed to, the resolution, as amended, be agreed to, the amendment to the preamble be agreed to, and the preamble, as amended, be agreed to, the amendment to the title be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3049) was agreed to.

The resolution, as amended, was agreed to.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

The concurrent resolution (S. Con. Res. 81), as amended, with its preamble, as amended, reads as follows:

S. CON. RES. 81

Whereas the date of June 26, 1998, marks the 50th anniversary of the commencement of the Allied effort to supply the people of Berlin, Germany, with food, fuel, and supplies in the face of the illegal Soviet blockade that divided the city;

Whereas this 15 month Allied effort became known throughout the free world as the ''Berlin Airlift'' and ultimately cost the lives of 78 Allied airmen, of whom 31 were United States fliers;

Whereas this heroic humanitarian undertaking was universally regarded as an unambiguous statement of Western resolve to thwart further Soviet expansion;

Whereas the Berlin Airlift was an unqualified success, both as an instrument of diplomacy and as a life saving rescue of the 2,000,000 inhabitants of West Berlin, with 2,326,205 tons of supplies delivered by 277,728 flights over a 462-day period;

Whereas historians and citizens the world over view the success of this courageous action as pivotal to the ultimate defeat of international tyranny, symbolized today by the fall of the Berlin Wall; and

Whereas this inspiring act of resolve must be preserved in the memory of future generations in a positive and dramatic manner: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the Berlin Airlift, which marks its 50th anniversary of commencement in June 1998, is one of the most significant events in postwar European history; and

(2) the Berlin Sculpture Fund should be commended for commemorating the 50th anniversary of the Berlin Airlift by presenting to the citizens of the Federal Republic of Germany a gift of representational art, funded by private subscriptions from citizens of the United States.

The title was amended so as to read: ''Concurrent Resolution Honoring the Berlin Airlift and Commending the Berlin Sculpture Fund.''

CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998

Mr. LOTT. Mr. President, I ask unanimous consent the Chair lay before the Senate a message from the House of Representatives on the bill (H.R. 3130) to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, and to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 3130) entitled ''An Act to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements, to amend the Immigration and Nationality Act to make certain aliens determined to be delinquent in the payment of child support inadmissible and ineligible for naturalization, and for other purposes'', with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Support Performance and Incentive Act of 1998''.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

TITLE I—CHILD SUPPORT DATA PROCESSING REQUIREMENTS

SEC. 101. ALTERNATIVE PENALTY PROCEDURE.

(a) IN GENERAL.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

''(4)(A)(i) If—

''(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with a particular subparagraph of section 454(24), and that the State has made and is continuing to make a good faith effort to so comply; and

''(II) the State has submitted to the Secretary a corrective compliance plan that describes how, by when, and at what cost the State will achieve such compliance, which has been approved by the Secretary,

then the Secretary shall not disapprove the State plan under section 454, and the Secretary

shall reduce the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the fiscal year by the penalty amount.

''(ii) All failures of a State during a fiscal year to comply with any of the requirements referred to in the same subparagraph of section 454(24) shall be considered a single failure of the State to comply with that subparagraph during the fiscal year for purposes of this paragraph.

''(B) In this paragraph:

''(i) The term 'penalty amount' means, with respect to a failure of a State to comply with a subparagraph of section 454(24)—

''(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs (regardless of whether a penalty is imposed under this paragraph with respect to the failure);

''(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

''(III) 16 percent of the penalty base, in the case of the 3rd such fiscal year;

''(IV) 25 percent of the penalty base, in the case of the 4th such fiscal year; or

''(V) 30 percent of the penalty base, in the case of the 5th or any subsequent such fiscal year.

''(ii) The term 'penalty base' means, with respect to a failure of a State to comply with a subparagraph of section 454(24) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year.

''(C)(i) The Secretary shall waive a penalty under this paragraph for any failure of a State to comply with section 454(24)(A) during fiscal year 1998 if—

''(I) on or before August 1, 1998, the State has submitted to the Secretary a request that the Secretary certify the State as having met the requirements of such section;

''(II) the Secretary subsequently provides the certification as a result of a timely review conducted pursuant to the request; and

''(III) the State has not failed such a review.

''(ii) If a State with respect to which a reduction is made under this paragraph for a fiscal year with respect to a failure to comply with a subparagraph of section 454(24) achieves compliance with such subparagraph by the beginning of the succeeding fiscal year, the Secretary shall increase the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the succeeding fiscal year by an amount equal to 90 percent of the reduction for the fiscal year.

''(D) The Secretary may not impose a penalty under this paragraph against a State with respect to a failure to comply with section 454(24)(B) for a fiscal year if the Secretary is required to impose a penalty under this paragraph against the State with respect to a failure to comply with section 454(24)(A) for the fiscal year.''.

(b) INAPPLICABILITY OF PENALTY UNDER TANF PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C. 609(a)(8)(A)(i)(III)) is amended by inserting ''(other than section 454(24))'' before the semicolon.

SEC. 102. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM REQUIREMENT.

(a) IN GENERAL.—Section 452(d)(3) of the Social Security Act (42 U.S.C. 652(d)(3)) is amended to read as follows:

''(3) The Secretary may waive any requirement of paragraph (1) or any condition specified under section 454(16), and shall waive the single statewide system requirement under sections 454(16) and 454A, with respect to a State if—

''(A) the State demonstrates to the satisfaction of the Secretary that the State has or can develop an alternative system or systems that enable the State—

''(i) for purposes of section 409(a)(8), to achieve the paternity establishment percentages (as defined in section 452(g)(2)) and other performance measures that may be established by the Secretary;

''(ii) to submit data under section 454(15)(B) that is complete and reliable;

''(iii) to substantially comply with the requirements of this part; and

''(iv) in the case of a request to waive the single statewide system requirement, to—

''(I) meet all functional requirements of sections 454(16) and 454A;

''(II) ensure that calculation of distributions meets the requirements of section 457 and accounts for distributions to children in different families or in different States or sub-State jurisdictions, and for distributions to other States;

''(III) ensure that there is only 1 point of contact in the State which provides seamless case processing for all interstate case processing and coordinated, automated intrastate case management;

''(IV) ensure that standardized data elements, forms, and definitions are used throughout the State;

''(V) complete the alternative system in no more time than it would take to complete a single statewide system that meets such requirement; and

''(VI) process child support cases as quickly, efficiently, and effectively as such cases would be processed through a single statewide system that meets such requirement;

''(B)(i) the waiver meets the criteria of paragraphs (1), (2), and (3) of section 1115(c); or

''(ii) the State provides assurances to the Secretary that steps will be taken to otherwise improve the State's child support enforcement program; and

''(C) in the case of a request to waive the single statewide system requirement, the State has submitted to the Secretary separate estimates of the total cost of a single statewide system that meets such requirement, and of any such alternative system or systems, which shall include estimates of the cost of developing and completing the system and of operating and maintaining the system for 5 years, and the Secretary has agreed with the estimates.''.

(b) PAYMENTS TO STATES.—Section 455(a)(1) of such Act (42 U.S.C. 655(a)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the semicolon at the end of subparagraph (C) and inserting '', and''; and

(3) by inserting after subparagraph (C) the following:

''(D) equal to 66 percent of the sums expended by the State during the quarter for an alternative statewide system for which a waiver has been granted under section 452(d)(3), but only to the extent that the total of the sums so expended by the State on or after the date of the enactment of this subparagraph does not exceed the least total cost estimate submitted by the State pursuant to section 452(d)(3)(C) in the request for the waiver;''.

TITLE II—CHILD SUPPORT INCENTIVE SYSTEM

SEC. 201. INCENTIVE PAYMENTS TO STATES.

(a) IN GENERAL.—Part D of title IV of the Social Security Act (42 U.S.C. 651–669) is amended by inserting after section 458 the following:

''SEC. 458A. INCENTIVE PAYMENTS TO STATES.

''(a) IN GENERAL.—In addition to any other payment under this part, the Secretary shall, subject to subsection (f), make an incentive payment to each State for each fiscal year in an amount determined under subsection (b).

''(b) AMOUNT OF INCENTIVE PAYMENT.—

''(1) IN GENERAL.—The incentive payment for a State for a fiscal year is equal to the incentive payment pool for the fiscal year, multiplied by the State incentive payment share for the fiscal year.

''(2) INCENTIVE PAYMENT POOL.—

''(A) IN GENERAL.—In paragraph (1), the term 'incentive payment pool' means—

''(i) $422,000,000 for fiscal year 2000;

''(ii) $429,000,000 for fiscal year 2001;

''(iii) $450,000,000 for fiscal year 2002;

''(iv) $461,000,000 for fiscal year 2003;

''(v) $454,000,000 for fiscal year 2004;

''(vi) $446,000,000 for fiscal year 2005;

''(vii) $458,000,000 for fiscal year 2006;

''(viii) $471,000,000 for fiscal year 2007;

''(ix) $483,000,000 for fiscal year 2008; and

''(x) for any succeeding fiscal year, the amount of the incentive payment pool for the fiscal year that precedes such succeeding fiscal year, multiplied by the percentage (if any) by which the CPI for such preceding fiscal year exceeds the CPI for the 2nd preceding fiscal year.

''(B) CPI.—For purposes of subparagraph (A), the CPI for a fiscal year is the average of the Consumer Price Index for the 12-month period ending on September 30 of the fiscal year. As used in the preceding sentence, the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

''(3) STATE INCENTIVE PAYMENT SHARE.—In paragraph (1), the term 'State incentive payment share' means, with respect to a fiscal year—

''(A) the incentive base amount for the State for the fiscal year; divided by

''(B) the sum of the incentive base amounts for all of the States for the fiscal year.

''(4) INCENTIVE BASE AMOUNT.—In paragraph (3), the term 'incentive base amount' means, with respect to a State and a fiscal year, the sum of the applicable percentages (determined in accordance with paragraph (6)) multiplied by the corresponding maximum incentive base amounts for the State for the fiscal year, with respect to each of the following measures of State performance for the fiscal year:

''(A) The paternity establishment performance level.

''(B) The support order performance level.

''(C) The current payment performance level.

''(D) The arrearage payment performance level.

''(E) The cost-effectiveness performance level.

''(5) MAXIMUM INCENTIVE BASE AMOUNT.—

''(A) IN GENERAL.—For purposes of paragraph (4), the maximum incentive base amount for a State for a fiscal year is—

''(i) with respect to the performance measures described in subparagraphs (A), (B), and (C) of paragraph (4), the State collections base for the fiscal year; and

''(ii) with respect to the performance measures described in subparagraphs (D) and (E) of paragraph (4), 75 percent of the State collections base for the fiscal year.

''(B) DATA REQUIRED TO BE COMPLETE AND RELIABLE.—Notwithstanding subparagraph (A), the maximum incentive base amount for a State for a fiscal year with respect to a performance measure described in paragraph (4) is zero, unless the Secretary determines, on the basis of an audit performed under section 452(a)(4)(C)(i), that the data which the State submitted pursuant to section 454(15)(B) for the fiscal year and which is used to determine the performance level involved is complete and reliable.

''(C) STATE COLLECTIONS BASE.—For purposes of subparagraph (A), the State collections base for a fiscal year is equal to the sum of—

''(i) 2 times the sum of—

''(I) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved is required to be assigned to the State pursuant to part A or E of this title or title XIX; and

''(II) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved was so assigned but, at the time of collection, is not required to be so assigned; and

''(ii) the total amount of support collected during the fiscal year under the State plan approved under this part in all other cases.

''(6) DETERMINATION OF APPLICABLE PERCENTAGES BASED ON PERFORMANCE LEVELS.—

''(A) PATERNITY ESTABLISHMENT.—

''(i) DETERMINATION OF PATERNITY ESTABLISHMENT PERFORMANCE LEVEL.—The paternity establishment performance level for a State for a fiscal year is, at the option of the State, the IV–D paternity establishment percentage determined under section 452(g)(2)(A) or the statewide paternity establishment percentage determined under section 452(g)(2)(B).

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's paternity establishment performance level is as follows:

"If the paternity establishment performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

Notwithstanding the preceding sentence, if the paternity establishment performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's paternity establishment performance level is 50 percent.

''(B) ESTABLISHMENT OF CHILD SUPPORT ORDERS.—

''(i) DETERMINATION OF SUPPORT ORDER PERFORMANCE LEVEL.—The support order performance level for a State for a fiscal year is the percentage of the total number of cases under the State plan approved under this part in which there is a support order during the fiscal year.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's support order performance level is as follows:

"If the support order performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

Notwithstanding the preceding sentence, if the support order performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's support order performance level is 50 percent.

''(C) COLLECTIONS ON CURRENT CHILD SUPPORT DUE.—

''(i) DETERMINATION OF CURRENT PAYMENT PERFORMANCE LEVEL.—The current payment performance level for a State for a fiscal year is equal to the total amount of current support collected during the fiscal year under the State plan approved under this part divided by the total amount of current support owed during the fiscal year in all cases under the State plan, expressed as a percentage.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's current payment performance level is as follows:

"If the current payment performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

Notwithstanding the preceding sentence, if the current payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's current payment performance level is 50 percent.

''(D) COLLECTIONS ON CHILD SUPPORT ARREARAGES.—

''(i) DETERMINATION OF ARREARAGE PAYMENT PERFORMANCE LEVEL.—The arrearage payment performance level for a State for a fiscal year is equal to the total number of cases under the State plan approved under this part in which payments of past-due child support were received during the fiscal year and part or all of the payments were distributed to the family to whom the past-due child support was owed (or, if all past-due child support owed to the family was, at the time of receipt, subject to an assignment to the State, part or all of the payments were retained by the State) divided by the total number of cases under the State plan in which there is past-due child support, expressed as a percentage.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's arrearage payment performance level is as follows:

"If the arrearage payment performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

Notwithstanding the preceding sentence, if the arrearage payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arrearage payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's arrearage payment performance level is 50 percent.

''(E) COST-EFFECTIVENESS.—

''(i) DETERMINATION OF COST-EFFECTIVENESS PERFORMANCE LEVEL.—The cost-effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended during the fiscal year under the State plan, expressed as a ratio.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's cost-effectiveness performance level is as follows:

"If the cost-effectiveness performance level is: At least:	But less than:	The applicable percentage is:
5.00		100
4.50	4.99	90
4.00	4.50	80
3.50	4.00	70
3.00	3.50	60
2.50	3.00	50
2.00	2.50	40
0.00	2.00	0.

''(c) TREATMENT OF INTERSTATE COLLECTIONS.—In computing incentive payments under this section, support which is collected by a State at the request of another State shall be treated as having been collected in full by both States, and any amounts expended by a State in carrying out a special project assisted under section 455(e) shall be excluded.

''(d) ADMINISTRATIVE PROVISIONS.—The amounts of the incentive payments to be made to the States under this section for a fiscal year shall be estimated by the Secretary at or before the beginning of the fiscal year on the basis of the best information available. The Secretary shall make the payments for the fiscal year, on a quarterly basis (with each quarterly payment being made no later than the beginning of the quarter involved), in the amounts so estimated, reduced or increased to the extent of any overpayments or underpayments which the Secretary determines were made under this section to the States involved for prior periods and with respect to which adjustment has not already been made under this subsection. Upon the making of any estimate by the Secretary under the preceding sentence, any appropriations available for payments under this section are deemed obligated.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary governing the calculation of incentive payments under this section, including directions for excluding from the calculations certain closed cases and cases over which the States do not have jurisdiction.

''(f) REINVESTMENT.—A State to which a payment is made under this section shall expend the full amount of the payment to supplement, and not supplant, other funds used by the State—

''(1) to carry out the State plan approved under this part; or

''(2) for any activity (including cost-effective contracts with local agencies) approved by the Secretary, whether or not the expenditures for the activity are eligible for reimbursement under this part, which may contribute to improving the effectiveness or efficiency of the State program operated under this part.''.

(b) TRANSITION RULE.—Notwithstanding any other provision of law—

(1) for fiscal year 2000, the Secretary shall reduce by ⅓ the amount otherwise payable to a State under section 458 of the Social Security Act, and shall reduce by ⅔ the amount otherwise payable to a State under section 458A of such Act; and

(2) for fiscal year 2001, the Secretary shall reduce by ⅔ the amount otherwise payable to a State under section 458 of the Social Security Act, and shall reduce by ⅓ the amount otherwise payable to a State under section 458A of such Act.

(c) REGULATIONS.—Within 9 months after the date of the enactment of this section, the Secretary of Health and Human Services shall prescribe regulations governing the implementation of section 458A of the Social Security Act when such section takes effect and the implementation of subsection (b) of this section.

(d) STUDIES.—

(1) GENERAL REVIEW OF NEW INCENTIVE PAYMENT SYSTEM.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study of the implementation of the incentive payment system established by section 458A of the Social Security Act, in order to identify the problems and successes of the system.

(B) REPORTS TO THE CONGRESS.—

(i) REPORT ON VARIATIONS IN STATE PERFORMANCE ATTRIBUTABLE TO DEMOGRAPHIC VARIABLES.—Not later than October 1, 2000, the Secretary shall submit to the Congress a report that identifies any demographic or economic variables that account for differences in the performance levels achieved by the States with respect to the performance measures used in the system, and contains the recommendations of the Secretary for such adjustments to the system as may be necessary to ensure that the relative performance of States is measured from a baseline that takes account of any such variables.

(ii) INTERIM REPORT.—Not later than March 1, 2001, the Secretary shall submit to the Congress an interim report that contains the findings of the study required by subparagraph (A).

(iii) FINAL REPORT.—Not later than October 1, 2003, the Secretary shall submit to the Congress a final report that contains the final findings of the study required by subparagraph (A). The report shall include any recommendations for changes in the system that the Secretary determines would improve the operation of the child support enforcement program.

(2) DEVELOPMENT OF MEDICAL SUPPORT INCENTIVE.—

(A) IN GENERAL.—The Secretary of Health and Human Services, in consultation with State directors of programs operated under part D of title IV of the Social Security Act and representatives of children potentially eligible for medical support, shall develop a performance measure based on the effectiveness of States in establishing and enforcing medical support obligations, and shall make recommendations for the incorporation of the measure, in a revenue neutral manner, into the incentive payment system established by section 458A of the Social Security Act.

(B) REPORT.—Not later than October 1, 1999, the Secretary shall submit to the Congress a report that describes the performance measure and contains the recommendations required by subparagraph (A).

(e) TECHNICAL AMENDMENTS.—

(1) IN GENERAL.—Section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 658 note) is amended—

(A) by striking subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and

(B) in subsection (c) (as so redesignated)—

(i) by striking paragraph (1) and inserting the following:

''(1) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—The amendments made by subsection (a) of this section shall become effective with respect to a State as of the date the amendments made by section 103(a) (without regard to section 116(a)(2)) first apply to the State.''; and

(ii) in paragraph (2), by striking ''(c)'' and inserting ''(b)''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(f) ELIMINATION OF PREDECESSOR INCENTIVE PAYMENT SYSTEM.—

(1) REPEAL.—Section 458 of the Social Security Act (42 U.S.C. 658) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 458A of the Social Security Act, as added by section 201(a) of this Act, is redesignated as section 458.

(B) Section 455(a)(4)(C)(iii) of such Act (42 U.S.C. 655(a)(4)(C)(iii)), as added by section 101(a) of this Act, is amended—

(i) by striking ''458A(b)(4)'' and inserting ''458(b)(4)'';

(ii) by striking ''458A(b)(6)'' and inserting ''458(b)(6)''; and

(iii) by striking ''458A(b)(5)(B)'' and inserting ''458(b)(5)(B)''.

(C) Subsection (d)(1) of this section is amended by striking ''458A'' and inserting ''458''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2001.

(g) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect on October 1, 1999.

TITLE III—ADOPTION PROVISIONS

SEC. 301. MORE FLEXIBLE PENALTY PROCEDURE TO BE APPLIED FOR FAILING TO PERMIT INTERJURISDICTIONAL ADOPTION.

(a) CONVERSION OF FUNDING BAN INTO STATE PLAN REQUIREMENT.—Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking ''and'' at the end of paragraph (21);

(2) by striking the period at the end of paragraph (22) and inserting ''; and''; and

(3) by adding at the end the following:

''(23) provides that the State shall not—

''(A) deny or delay the placement of a child for adoption when an approved family is available outside of the jurisdiction with responsibility for handling the case of the child; or

''(B) fail to grant an opportunity for a fair hearing, as described in paragraph (12), to an individual whose allegation of a violation of subparagraph (A) of this paragraph is denied by the State or not acted upon by the State with reasonable promptness.''.

(b) PENALTY FOR NONCOMPLIANCE.—Section 474(d) of such Act (42 U.S.C. 674(d)) is amended in each of paragraphs (1) and (2) by striking ''section 471(a)(18)'' and inserting ''paragraph (18) or (23) of section 471(a)''.

(c) CONFORMING AMENDMENT.—Section 474 of such Act (42 U.S.C. 674) is amended by striking subsection (e).

(d) RETROACTIVITY.—The amendments made by this section shall take effect as if included in the enactment of section 202 of the Adoption and Safe Families Act of 1997 (Public Law 105–89; 111 Stat. 2125).

TITLE IV—MISCELLANEOUS

SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE ESTABLISHMENT AND ENFORCEMENT OF MEDICAL CHILD SUPPORT.

(a) STUDY ON EFFECTIVENESS OF ENFORCEMENT OF MEDICAL SUPPORT BY STATE AGENCIES.—

(1) MEDICAL CHILD SUPPORT WORKING GROUP.—Within 60 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly establish a Medical Child Support Working Group. The purpose of the Working Group shall be to identify the impediments to the effective enforcement of medical support by State agencies administering the programs operated pursuant to part D of title IV of the Social Security Act.

(2) MEMBERSHIP.—The Working Group shall consist of not more than 30 members and shall be composed of representatives of—

(A) the Department of Labor;

(B) the Department of Health and Human Services;

(C) State directors of programs under part D of title IV of the Social Security Act;

(D) State directors of the medicaid program under title XIX of the Social Security Act;

(E) employers, including owners of small businesses and their trade or industry representatives and certified human resource and payroll professionals;

(F) plan administrators and plan sponsors of group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1));

(G) children potentially eligible for medical support, such as child advocacy organizations;

(H) State medical child support programs; and

(I) organizations representing State child support programs.

(3) COMPENSATION.—The members shall serve without compensation.

(4) ADMINISTRATIVE SUPPORT.—The Department of Health and Human Services and the Department of Labor shall jointly provide appropriate administrative support to the Working Group, including technical assistance. The Working Group may use the services and facilities of either such Department, with or without

reimbursement, as jointly determined by such Departments.

(5) REPORT.—

(A) REPORT BY WORKING GROUP TO THE SECRETARIES.—Not later than 18 months after the date of the enactment of this Act, the Working Group shall submit to the Secretary of Labor and the Secretary of Health and Human Services a report containing recommendations for appropriate measures to address the impediments to the effective enforcement of medical support by State agencies administering the programs operated pursuant to part D of title IV of the Social Security Act identified by the Working Group, including—

(i) recommendations based on assessments of the form and content of the National Medical Support Notice, as issued under interim regulations;

(ii) appropriate measures that establish the priority of withholding of child support obligations, medical support obligations, arrearages in such obligations, and, in the case of a medical support obligation, the employee's portion of any health care coverage premium, by such State agencies in light of the restrictions on garnishment provided under title III of the Consumer Credit Protection Act (15 U.S.C. 1671–1677);

(iii) appropriate procedures for coordinating the provision, enforcement, and transition of health care coverage under the State programs operated pursuant to part D of title IV of the Social Security Act and titles XIX and XXI of such Act;

(iv) appropriate measures to improve the availability of alternate types of medical support that are aside from health coverage offered through the noncustodial parent's health plan and unrelated to the noncustodial parent's employer, including measures that establish a noncustodial parent's responsibility to share the cost of premiums, copayments, deductibles, or payments for services not covered under a child's existing health coverage;

(v) recommendations on whether reasonable cost should remain a consideration under section 452(f) of the Social Security Act; and

(vi) appropriate measures for eliminating any other impediments to the effective enforcement of medical support orders that the Working Group deems necessary.

(B) REPORT BY SECRETARIES TO THE CONGRESS.—Not later than 2 months after receipt of the report pursuant to subparagraph (A), the Secretaries shall jointly submit a report to each House of the Congress regarding the recommendations contained in the report under subparagraph (A).

(6) TERMINATION.—The Working Group shall terminate 30 days after the date of the issuance of its report under paragraph (5).

(b) PROMULGATION OF NATIONAL MEDICAL SUPPORT NOTICE.—

(1) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Labor shall jointly develop and promulgate by regulation a National Medical Support Notice, to be issued by States as a means of enforcing the health care coverage provisions in a child support order.

(2) REQUIREMENTS.—The National Medical Support Notice shall—

(A) conform with the requirements which apply to medical child support orders under section 609(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(3)) in connection with group health plans (subject to section 609(a)(4) of such Act), irrespective of whether the group health plan is covered under section 4 of such Act;

(B) conform with the requirements of part D of title IV of the Social Security Act; and

(C) include a separate and easily severable employer withholding notice, informing the employer of—

(i) applicable provisions of State law requiring the employer to withhold any employee contributions due under any group health plan in connection with coverage required to be provided under such order;

(ii) the duration of the withholding requirement;

(iii) the applicability of limitations on any such withholding under title III of the Consumer Credit Protection Act;

(iv) the applicability of any prioritization required under State law between amounts to be withheld for purposes of cash support and amounts to be withheld for purposes of medical support, in cases where available funds are insufficient for full withholding for both purposes; and

(v) the name and telephone number of the appropriate unit or division to contact at the State agency regarding the National Medical Support Notice.

(3) PROCEDURES.—The regulations promulgated pursuant to paragraph (1) shall include appropriate procedures for the transmission of the National Medical Support Notice to employers by State agencies administering the programs operated pursuant to part D of title IV of the Social Security Act.

(4) INTERIM REGULATIONS.—Not later than 10 months after the date of the enactment of this Act, the Secretaries shall issue interim regulations providing for the National Medical Support Notice.

(5) FINAL REGULATIONS.—Not later than 1 year after the issuance of the interim regulations under paragraph (4), the Secretary of Health and Human Services and the Secretary of Labor shall jointly issue final regulations providing for the National Medical Support Notice.

(c) REQUIRED USE BY STATES OF NATIONAL MEDICAL SUPPORT NOTICES.—

(1) STATE PROCEDURES.—Section 466(a)(19) of the Social Security Act (42 U.S.C. 666(a)(19)) is amended to read as follows:

''(19) HEALTH CARE COVERAGE.—Procedures under which—

''(A) effective as provided in section 401(c)(3) of the Child Support Performance and Incentive Act of 1998, all child support orders enforced pursuant to this part which include a provision for the health care coverage of the child are enforced, where appropriate, through the use of the National Medical Support Notice promulgated pursuant to section 401(b) of the Child Support Performance and Incentive Act of 1998 (and referred to in section 609(a)(5)(C) of the Employee Retirement Income Security Act of 1974 in connection with group health plans covered under title I of such Act, in section 401(e)(3)(C) of the Child Support Performance and Incentive Act of 1998 in connection with State or local group health plans, and in section 401(f)(5)(C) of such Act in connection with church group health plans);

''(B) unless alternative coverage is allowed for in any order of the court (or other entity issuing the child support order), in any case in which a noncustodial parent is required under the child support order to provide such health care coverage and the employer of such noncustodial parent is known to the State agency—

''(i) the State agency uses the National Medical Support Notice to transfer notice of the provision for the health care coverage of the child to the employer;

''(ii) within 20 business days after the date of the National Medical Support Notice, the employer is required to transfer the Notice, excluding the severable employer withholding notice described in section 401(b)(2)(C) of the Child Support Performance and Incentive Act of 1998, to the appropriate plan providing any such health care coverage for which the child is eligible;

''(iii) in any case in which the noncustodial parent is a newly hired employee entered in the State Directory of New Hires pursuant to section 453A(e), the State agency provides, where appropriate, the National Medical Support Notice, together with an income withholding notice issued pursuant to section 466(b), within 2 days after the date of the entry of such employee in such Directory; and

''(iv) in any case in which the employment of the noncustodial parent with any employer who has received a National Medical Support Notice is terminated, such employer is required to notify the State agency of such termination; and

''(C) any liability of the noncustodial parent to such plan for employee contributions which are required under such plan for enrollment of the child is effectively subject to appropriate enforcement, unless the noncustodial parent contests such enforcement based on a mistake of fact.''.

(2) CONFORMING AMENDMENTS.—Section 452(f) of such Act (42 U.S.C. 652(f)) is amended in the first sentence—

(A) by striking ''petition for the inclusion of'' and inserting ''include''; and

(B) by inserting ''and enforce medical support'' before ''whenever''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall be effective with respect to periods beginning on or after the later of—

(A) October 1, 2001; or

(B) the effective date of laws enacted by the legislature of such State implementing such amendments,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a two-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(d) NATIONAL MEDICAL SUPPORT NOTICE DEEMED UNDER ERISA A QUALIFIED MEDICAL CHILD SUPPORT ORDER.—Section 609(a)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(5)) is amended by adding at the end the following:

''(C) NATIONAL MEDICAL SUPPORT NOTICE DEEMED TO BE A QUALIFIED MEDICAL CHILD SUPPORT ORDER.—

''(i) IN GENERAL.—If the plan administrator of a group health plan which is maintained by the employer of a noncustodial parent of a child or to which such an employer contributes receives an appropriately completed National Medical Support Notice promulgated pursuant to section 401(b) of the Child Support Performance and Incentive Act of 1998 in the case of such child, and the Notice meets the requirements of paragraphs (3) and (4), the Notice shall be deemed to be a qualified medical child support order in the case of such child.

''(ii) ENROLLMENT OF CHILD IN PLAN.—In any case in which an appropriately completed National Medical Support Notice is issued in the case of a child of a participant under a group health plan who is a noncustodial parent of the child, and the Notice is deemed under clause (i) to be a qualified medical child support order, the plan administrator, within 40 business days after the date of the Notice, shall—

''(I) notify the State agency issuing the Notice with respect to such child whether coverage of the child is available under the terms of the plan and, if so, whether such child is covered under the plan and either the effective date of the coverage or, if necessary, any steps to be taken by the custodial parent (or by the official of a State or political subdivision thereof substituted for the name of such child pursuant to paragraph (3)(A)) to effectuate the coverage; and

''(II) provide to the custodial parent (or such substituted official) a description of the coverage available and any forms or documents necessary to effectuate such coverage.

''(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as requiring a group health plan, upon receipt of a National Medical Support Notice, to provide benefits under the plan (or eligibility for such benefits) in addition to benefits (or eligibility for

benefits) provided under the terms of the plan as of immediately before receipt of such Notice.''.

(e) NATIONAL MEDICAL SUPPORT NOTICES FOR STATE OR LOCAL GOVERNMENTAL GROUP HEALTH PLANS.—

(1) IN GENERAL.—Each State or local governmental group health plan shall provide benefits in accordance with the applicable requirements of any National Medical Support Notice.

(2) ENROLLMENT OF CHILD IN PLAN.—In any case in which an appropriately completed National Medical Support Notice is issued in the case of a child of a participant under a State or local governmental group health plan who is a noncustodial parent of the child, the plan administrator, within 40 business days after the date of the Notice, shall—

(A) notify the State agency issuing the Notice with respect to such child whether coverage of the child is available under the terms of the plan and, if so, whether such child is covered under the plan and either the effective date of the coverage or any steps necessary to be taken by the custodial parent (or by any official of a State or political subdivision thereof substituted in the Notice for the name of such child in accordance with procedures appliable under subsection (b)(2) of this section) to effectuate the coverage; and

(B) provide to the custodial parent (or such substituted official) a description of the coverage available and any forms or documents necessary to effectuate such coverage.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as requiring a State or local governmental group health plan, upon receipt of a National Medical Support Notice, to provide benefits under the plan (or eligibility for such benefits) in addition to benefits (or eligibility for benefits) provided under the terms of the plan as of immediately before receipt of such Notice.

(4) DEFINITIONS.—For purposes of this subsection—

(A) STATE OR LOCAL GOVERNMENTAL GROUP HEALTH PLAN.—The term ''State or local governmental group health plan'' means a group health plan which is established or maintained for its employees by the government of any State, any political subdivision of a State, or any agency or instrumentality of either of the foregoing.

(B) ALTERNATE RECIPIENT.—The term ''alternate recipient'' means any child of a participant who is recognized under a National Medical Support Notice as having a right to enrollment under a State or local governmental group health plan with respect to such participant.

(C) GROUP HEALTH PLAN.—The term ''group health plan'' has the meaning provided in section 607(1) of the Employee Retirement Income Security Act of 1974.

(D) STATE.—The term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(E) OTHER TERMS.—The terms ''participant'' and ''administrator'' shall have the meanings provided such terms, respectively, by paragraphs (7) and (16) of section 3 of the Employee Retirement Income Security Act of 1974.

(5) EFFECTIVE DATE.—The provisions of this subsection shall take effect on the date of the issuance of interim regulations pursuant to subsection (b)(4) of this section.

(f) QUALIFIED MEDICAL CHILD SUPPORT ORDERS AND NATIONAL MEDICAL SUPPORT NOTICES FOR CHURCH PLANS.—

(1) IN GENERAL.—Each church group health plan shall provide benefits in accordance with the applicable requirements of any qualified medical child support order. A qualified medical child support order with respect to any participant or beneficiary shall be deemed to apply to each such group health plan which has received such order, from which the participant or beneficiary is eligible to receive benefits, and with respect to which the requirements of paragraph (4) are met.

(2) DEFINITIONS.—For purposes of this subsection—

(A) CHURCH GROUP HEALTH PLAN.—The term ''church group health plan'' means a group health plan which is a church plan.

(B) QUALIFIED MEDICAL CHILD SUPPORT ORDER.—The term ''qualified medical child support order'' means a medical child support order—

(i) which creates or recognizes the existence of an alternate recipient's right to, or assigns to an alternate recipient the right to, receive benefits for which a participant or beneficiary is eligible under a church group health plan; and

(ii) with respect to which the requirements of paragraphs (3) and (4) are met.

(C) MEDICAL CHILD SUPPORT ORDER.—The term ''medical child support order'' means any judgment, decree, or order (including approval of a settlement agreement) which—

(i) provides for child support with respect to a child of a participant under a church group health plan or provides for health benefit coverage to such a child, is made pursuant to a State domestic relations law (including a community property law), and relates to benefits under such plan; or

(ii) is made pursuant to a law relating to medical child support described in section 1908 of the Social Security Act (as added by section 13822 of the Omnibus Budget Reconciliation Act of 1993) with respect to a church group health plan,

if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law. For purposes of this paragraph, an administrative notice which is issued pursuant to an administrative process referred to in subclause (II) of the preceding sentence and which has the effect of an order described in clause (i) or (ii) of the preceding sentence shall be treated as such an order.

(D) ALTERNATE RECIPIENT.—The term ''alternate recipient'' means any child of a participant who is recognized under a medical child support order as having a right to enrollment under a church group health plan with respect to such participant.

(E) GROUP HEALTH PLAN.—The term ''group health plan'' has the meaning provided in section 607(1) of the Employee Retirement Income Security Act of 1974.

(F) STATE.—The term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(G) OTHER TERMS.—The terms ''participant'', ''beneficiary'', ''administrator'', and ''church plan'' shall have the meanings provided such terms, respectively, by paragraphs (7), (8), (16), and (33) of section 3 of the Employee Retirement Income Security Act of 1974.

(3) INFORMATION TO BE INCLUDED IN QUALIFIED ORDER.—A medical child support order meets the requirements of this paragraph only if such order clearly specifies—

(A) the name and the last known mailing address (if any) of the participant and the name and mailing address of each alternate recipient covered by the order, except that, to the extent provided in the order, the name and mailing address of an official of a State or a political subdivision thereof may be substituted for the mailing address of any such alternate recipient;

(B) a reasonable description of the type of coverage to be provided to each such alternate recipient, or the manner in which such type of coverage is to be determined; and

(C) the period to which such order applies.

(4) RESTRICTION ON NEW TYPES OR FORMS OF BENEFITS.—A medical child support order meets the requirements of this paragraph only if such order does not require a church group health plan to provide any type or form of benefit, or any option, not otherwise provided under the plan, except to the extent necessary to meet the requirements of a law relating to medical child support described in section 1908 of the Social Security Act (as added by section 13822 of the Omnibus Budget Reconciliation Act of 1993).

(5) PROCEDURAL REQUIREMENTS.—

(A) TIMELY NOTIFICATIONS AND DETERMINATIONS.—In the case of any medical child support order received by a church group health plan—

(i) the plan administrator shall promptly notify the participant and each alternate recipient of the receipt of such order and the plan's procedures for determining whether medical child support orders are qualified medical child support orders; and

(ii) within a reasonable period after receipt of such order, the plan administrator shall determine whether such order is a qualified medical child support order and notify the participant and each alternate recipient of such determination.

(B) ESTABLISHMENT OF PROCEDURES FOR DETERMINING QUALIFIED STATUS OF ORDERS.—Each church group health plan shall establish reasonable procedures to determine whether medical child support orders are qualified medical child support orders and to administer the provision of benefits under such qualified orders. Such procedures—

(i) shall be in writing;

(ii) shall provide for the notification of each person specified in a medical child support order as eligible to receive benefits under the plan (at the address included in the medical child support order) of such procedures promptly upon receipt by the plan of the medical child support order; and

(iii) shall permit an alternate recipient to designate a representative for receipt of copies of notices that are sent to the alternate recipient with respect to a medical child support order.

(C) NATIONAL MEDICAL SUPPORT NOTICE DEEMED TO BE A QUALIFIED MEDICAL CHILD SUPPORT ORDER.—

(i) IN GENERAL.—If the plan administrator of any church group health plan which is maintained by the employer of a noncustodial parent of a child or to which such an employer contributes receives an appropriately completed National Medical Support Notice promulgated pursuant to subsection (b) of this section in the case of such child, and the Notice meets the requirements of paragraphs (3) and (4) of this subsection, the Notice shall be deemed to be a qualified medical child support order in the case of such child.

(ii) ENROLLMENT OF CHILD IN PLAN.—In any case in which an appropriately completed National Medical Support Notice is issued in the case of a child of a participant under a church group health plan who is a noncustodial parent of the child, and the Notice is deemed under clause (i) to be a qualified medical child support order, the plan administrator, within 40 business days after the date of the Notice, shall—

(I) notify the State agency issuing the Notice with respect to such child whether coverage of the child is available under the terms of the plan and, if so, whether such child is covered under the plan and either the effective date of the coverage or any steps necessary to be taken by the custodial parent (or by the official of a State or political subdivision thereof substituted for the name of such child pursuant to paragraph (3)(A)) to effectuate the coverage; and

(II) provide to the custodial parent (or such substituted official) a description of the coverage available and any forms or documents necessary to effectuate such coverage.

(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as requiring a church group health plan, upon receipt of a National Medical Support Notice, to provide benefits under the plan (or eligibility for such benefits) in addition to benefits (or eligibility for benefits) provided under the terms of the plan as of immediately before receipt of such Notice.

(6) DIRECT PROVISION OF BENEFITS PROVIDED TO ALTERNATE RECIPIENTS.—Any payment for benefits made by a church group health plan pursuant to a medical child support order in reimbursement for expenses paid by an alternate recipient or an alternate recipient's custodial parent or legal guardian shall be made to the alternate recipient or the alternate recipient's custodial parent or legal guardian.

(7) PAYMENT TO STATE OFFICIAL TREATED AS SATISFACTION OF PLAN'S OBLIGATION TO MAKE PAYMENT TO ALTERNATE RECIPIENT.—Payment of benefits by a church group health plan to an official of a State or a political subdivision thereof whose name and address have been substituted for the address of an alternate recipient in a medical child support order, pursuant to paragraph (3)(A), shall be treated, for purposes of this subsection and part D of title IV of the Social Security Act, as payment of benefits to the alternate recipient.

(8) EFFECTIVE DATE.—The provisions of this subsection shall take effect on the date of the issuance of interim regulations pursuant to subsection (b)(4) of this section.

(g) REPORT AND RECOMMENDATIONS REGARDING THE ENFORCEMENT OF QUALIFIED MEDICAL CHILD SUPPORT ORDERS.—Not later than 8 months after the issuance of the report to the Congress pursuant to subsection (a)(5), the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit to each House of the Congress a report containing recommendations for appropriate legislation to improve the effectiveness of, and enforcement of, qualified medical child support orders under the provisions of subsection (f) of this section and section 609(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)).

(h) TECHNICAL CORRECTIONS.—

(1) AMENDMENT RELATING TO PUBLIC LAW 104-266.—

(A) IN GENERAL.—Subsection (f) of section 101 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(f)) is repealed.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the enactment of the Act entitled ''An Act to repeal the Medicare and Medicaid Coverage Data Bank'', approved October 2, 1996 (Public Law 104-226; 110 Stat. 3033).

(2) AMENDMENTS RELATING TO PUBLIC LAW 103-66.—

(A) IN GENERAL.—(i) Section 4301(c)(4)(A) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66; 107 Stat. 377) is amended by striking ''subsection (b)(7)(D)'' and inserting ''subsection (b)(7)''.

(ii) Section 514(b)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(7)) is amended by striking ''enforced by'' and inserting ''they apply to''.

(iii) Section 609(a)(2)(B)(ii) of such Act (29 U.S.C. 1169(a)(2)(B)(ii)) is amended by striking ''enforces'' and inserting ''is made pursuant to''.

(B) CHILD DEFINED.—Section 609(a)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)) is amended by adding at the end the following:

''(D) CHILD.—The term 'child' includes any child adopted by, or placed for adoption with, a participant of a group health plan.''.

(C) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall be effective as if included in the enactment of section 4301(c)(4)(A) of the Omnibus Budget Reconciliation Act of 1993.

(3) AMENDMENT RELATED TO PUBLIC LAW 105-33.—

(A) IN GENERAL.—Section 609(a)(9) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(9)) is amended by striking ''the name and address'' and inserting ''the address''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall be effective as if included in the enactment of section 5611(b) of the Balanced Budget Act of 1997.

SEC. 402. SAFEGUARD OF NEW EMPLOYEE INFORMATION.

(a) PENALTY FOR UNAUTHORIZED ACCESS, DISCLOSURE, OR USE OF INFORMATION.—Section 453(l) of the Social Security Act (42 U.S.C. 653(l)) is amended—

(1) by striking ''Information'' and inserting the following:

''(1) IN GENERAL.—Information''; and

(2) by adding at the end the following:

''(2) PENALTY FOR MISUSE OF INFORMATION IN THE NATIONAL DIRECTORY OF NEW HIRES.—The Secretary shall require the imposition of an administrative penalty (up to and including dismissal from employment), and a fine of $1,000, for each act of unauthorized access to, disclosure of, or use of, information in the National Directory of New Hires established under subsection (i) by any officer or employee of the United States who knowingly and willfully violates this paragraph.''.

(b) LIMITS ON RETENTION OF DATA IN THE NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i)(2) of such Act (42 U.S.C. 653(i)(2)) is amended to read as follows:

''(2) DATA ENTRY AND DELETION REQUIREMENTS.—

''(A) IN GENERAL.—Information provided pursuant to section 453A(g)(2) shall be entered into the data base maintained by the National Directory of New Hires within 2 business days after receipt, and shall be deleted from the data base 24 months after the date of entry.

''(B) 12-MONTH LIMIT ON ACCESS TO WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The Secretary shall not have access for child support enforcement purposes to information in the National Directory of New Hires that is provided pursuant to section 453A(g)(2)(B), if 12 months has elapsed since the date the information is so provided and there has not been a match resulting from the use of such information in any information comparison under this subsection.

''(C) RETENTION OF DATA FOR RESEARCH PURPOSES.—Notwithstanding subparagraphs (A) and (B), the Secretary may retain such samples of data entered in the National Directory of New Hires as the Secretary may find necessary to assist in carrying out subsection (j)(5).''.

(c) NOTICE OF PURPOSES FOR WHICH WAGE AND SALARY DATA ARE TO BE USED.—Within 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of the specific purposes for which the new hire and the wage and unemployment compensation information in the National Directory of New Hires is to be used. At least 30 days before such information is to be used for a purpose not specified in the notice provided pursuant to the preceding sentence, the Secretary shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of such purpose.

(d) REPORT BY THE SECRETARY.—Within 3 years after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the accuracy of the data maintained by the National Directory of New Hires pursuant to section 453(i) of the Social Security Act, and the effectiveness of the procedures designed to provide for the security of such data.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2000.

SEC. 403. LIMITATIONS ON USE OF TANF FUNDS FOR MATCHING UNDER CERTAIN FEDERAL TRANSPORTATION PROGRAM.

(a) IN GENERAL.—Section 404 of the Social Security Act (42 U.S.C. 604) is amended by adding at the end the following:

''(k) LIMITATIONS ON USE OF GRANT FOR MATCHING UNDER CERTAIN FEDERAL TRANSPORTATION PROGRAM.—

''(1) USE LIMITATIONS.—A State to which a grant is made under section 403 may not use any part of the grant to match funds made available under section 3037 of the Transportation Equity for the 21st Century Act of 1998, unless—

''(A) the grant is used for new or expanded transportation services (and not for construction) that benefit individuals described in subparagraph (C), and not to subsidize current operating costs;

''(B) the grant is used to supplement and not supplant other State expenditures on transportation;

''(C) the preponderance of the benefits derived from such use of the grant accrues to individuals who are—

''(i) recipients of assistance under the State program funded under this part;

''(ii) former recipients of such assistance;

''(iii) noncustodial parents who are described in item (aa) or (bb) of section 403(a)(5)(C)(ii)(II); and

''(iv) low income individuals who are at risk of qualifying for such assistance; and

''(D) the services provided through such use of the grant promote the ability of such recipients to engage in work activities (as defined in section 407(d)).

''(2) AMOUNT LIMITATION.—From a grant made to a State under section 403(a), the amount that a State uses to match funds described in paragraph (1) of this subsection shall not exceed the amount (if any) by which 30 percent of the total amount of the grant exceeds the amount (if any) of the grant that is used by the State to carry out any State program described in subsection (d)(1) of this section.

''(3) RULE OF INTERPRETATION.—The provision by a State of a transportation benefit under a program conducted under section 3037 of the Transportation Equity for the 21st Century Act of 1998, to an individual who is not otherwise a recipient of assistance under the State program funded under this part, using funds from a grant made under section 403(a) of this Act, shall not be considered to be the provision of assistance to the individual under the State program funded under this part.''.

(b) REPORT TO THE CONGRESS.—Not later than 2 years after the date of the enactment of this Act, the Secretary of Transportation, in consultation with the Secretary of Health and Human Services, shall submit to the Committees on Ways and Means and on Transportation and Infrastructure of the House of Representatives and the Committees on Finance and on Environment and Public Works of the Senate a report that—

(1) describes the manner in which funds made available under section 3037 of the Transportation Equity for the 21st Century Act of 1998 have been used;

(2) describes whether such uses of such funds has improved transportation services for low income individuals; and

(3) contains such other relevant information as may be appropriate.

SEC. 404. CLARIFICATION OF MEANING OF HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT OF CHILD SUPPORT IN INTERSTATE CASES.

(a) IN GENERAL.—Section 466(a)(14)(B) of the Social Security Act (42 U.S.C. 666(a)(14)(B)) is amended to read as follows:

''(B) HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT.—In this part, the term 'high-volume automated administrative enforcement', in interstate cases, means, on request of another State, the identification by a State, through automated data matches with financial institutions and other entities where assets may be found, of assets owned by persons who owe child support in other States, and the seizure of such assets by the State, through levy or other appropriate processes.''.

(b) RETROACTIVITY.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 5550 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 633).

SEC. 405. GENERAL ACCOUNTING OFFICE REPORTS.

(a) REPORT ON FEASIBILITY OF INSTANT CHECK SYSTEM.—Not later than December 31, 1998, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the feasibility and cost of creating and maintaining a nationwide instant child support order check system under which an employer would be able to determine whether a newly hired employee is required to provide support under a child support order.

(b) REPORT ON IMPLEMENTATION AND USE OF CHILD SUPPORT DATABASES.—Not later than December 31, 1998, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the implementation of the Federal Parent Locater Service (including the Federal Case Registry of Child Support Orders and the National Directory of New Hires) established under section 453 of the Social Security Act (42 U.S.C. 653) and the State Directory of New Hires established under section 453A of such Act (42 U.S.C. 653a). The report shall include a detailed discussion of the purposes for which, and the manner in which, the information maintained in such databases has been used, and an examination as to whether such databases are subject to adequate safeguards to protect the privacy of the individuals with respect to whom information is reported and maintained.

SEC. 406. DATA MATCHING BY MULTISTATE FINANCIAL INSTITUTIONS.

(a) USE OF FEDERAL PARENT LOCATOR SERVICE.—Section 466(a)(17)(A)(i) of the Social Security Act (42 U.S.C. 666(a)(17)(A)(i)) is amended by inserting ''and the Federal Parent Locator Service in the case of financial institutions doing business in 2 or more States,'' before ''a data match system''.

(b) FACILITATION OF AGREEMENTS.—Section 452 of such Act (42 U.S.C. 652) is amended by adding at the end the following:

''(l) The Secretary, through the Federal Parent Locator Service, may aid State agencies providing services under State programs operated pursuant to this part and financial institutions doing business in 2 or more States in reaching agreements regarding the receipt from such institutions, and the transfer to the State agencies, of information that may be provided pursuant to section 466(a)(17)(A)(i), except that any State that, as of the date of the enactment of this subsection, is conducting data matches pursuant to section 466(a)(17)(A)(i) shall have until January 1, 2000, to allow the Secretary to obtain such information from such institutions that are operating in the State. For purposes of section 1113(d) of the Right to Financial Privacy Act of 1978, a disclosure pursuant to this subsection shall be considered a disclosure pursuant to a Federal statute.''.

(c) PROTECTION AGAINST LIABILITY.—Section 469A(a) of such Act (42 U.S.C. 669a(a)) is amended by inserting '', or for disclosing any such record to the Federal Parent Locator Service pursuant to section 466(a)(17)(A)'' before the period.

SEC. 407. ELIMINATION OF UNNECESSARY DATA REPORTING.

(a) IN GENERAL.—Section 469 of the Social Security Act (42 U.S.C. 669) is amended—

(1) by striking all that precedes subsection (c) and inserting the following:

''SEC. 469. COLLECTION AND REPORTING OF CHILD SUPPORT ENFORCEMENT DATA.

''(a) IN GENERAL.—With respect to each type of service described in subsection (b), the Secretary shall collect and maintain up-to-date statistics, by State, and on a fiscal year basis, on—

''(1) the number of cases in the caseload of the State agency administering the plan approved under this part in which the service is needed; and

''(2) the number of such cases in which the service has actually been provided.

''(b) TYPES OF SERVICES.—The statistics required by subsection (a) shall be separately stated with respect to paternity establishment services and child support obligation establishment services.

''(c) TYPES OF SERVICE RECIPIENTS.—The statistics required by subsection (a) shall be separately stated with respect to—

''(1) recipients of assistance under a State program funded under part A or of payments or services under a State plan approved under part E; and

''(2) individuals who are not such recipients.''; and

(2) in subsection (c), by striking ''(c)'' and inserting ''(d) RULE OF INTERPRETATION.—''.

(b) CONFORMING AMENDMENT.—Section 452(a)(10) of such Act (42 U.S.C. 652(a)(10)) is amended—

(1) by adding ''and'' at the end of subparagraph (H); and

(2) by striking subparagraph (I) and redesignating subparagraph (J) as subparagraph (I).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to information maintained with respect to fiscal year 1995 or any succeeding fiscal year.

SEC. 408. CLARIFICATION OF ELIGIBILITY UNDER WELFARE-TO-WORK PROGRAMS.

Section 403(a)(5)(C)(ii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(ii)) is amended—

(1) in the matter preceding subclause (I) by striking ''of minors whose custodial parent is such a recipient'';

(2) in subclause (I), by inserting ''or the noncustodial parent'' after ''recipient''; and

(3) in subclause (II), by striking ''The individual—'' and inserting ''The recipient or the minor children of the noncustodial parent—''.

SEC. 409. STUDY OF FEASIBILITY OF IMPLEMENTING IMMIGRATION PROVISIONS OF H.R. 3130, AS PASSED BY THE HOUSE OF REPRESENTATIVES ON MARCH 5, 1998.

(a) STUDY.—The Secretary of Health and Human Services, in consultation with the Immigration and Naturalization Service, shall conduct a study to determine the feasibility of the provisions of title V of H.R. 3130, as passed by the House of Representatives on March 5, 1998, were such provisions to become law, especially whether it would be feasible for the Immigration and Naturalization Service to implement effectively the requirements of such provisions.

(b) REPORT TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, the Secretary of health and Human Services shall submit to the Committees on Ways and Means and on the Judiciary of the House of Representatives and the Committees on Finance and on the Judiciary of the Senate a report on the results of the study required by subsection (a).

SEC. 410. TECHNICAL CORRECTIONS.

(a) Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking ''Economic and Educational Opportunities'' and inserting ''Education and the Workforce''.

(b) Section 422(b)(2) of the Social Security Act (42 U.S.C. 622(b)(2)) is amended by striking ''under under'' and inserting ''under''.

(c) Section 432(a)(8) of the Social Security Act (42 U.S.C. 632(a)(8)) is amended by adding ''; and'' at the end.

(d) Section 453(a)(2) of the Social Security Act (42 U.S.C. 653(a)(2)) is amended—

(1) by striking ''parentage,'' and inserting ''parentage or'';

(2) by striking ''or making or enforcing child custody or visitation orders,''; and

(3) in subparagraph (A), by decreasing the indentation of clause (iv) by 2 ems.

(e)(1) Section 5557(b) of the Balanced Budget Act of 1997 (42 U.S.C. 608 note) is amended by adding at the end the following: ''The amendment made by section 5536(1)(A) shall not take effect with respect to a State until October 1, 2000, or such earlier date as the State may select.''.

(2) The amendment made by paragraph (1) shall take effect as if included in the enactment of section 5557 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 637).

(f) Section 473A(c)(2)(B) of the Social Security Act (42 U.S.C. 673b(c)(2)(B)) is amended—

(1) by striking ''November 30, 1997'' and inserting ''April 30, 1998''; and

(2) by striking ''March 1, 1998'' and inserting ''July 1, 1998''.

(g) Section 474(a) of the Social Security Act (42 U.S.C. 674(a)) is amended by striking ''(subject to the limitations imposed by subsection (b))''.

(h) Section 232 of the Social Security Act Amendments of 1994 (42 U.S.C. 1314a) is amended—

(1) in subsection (b)(3)(D), by striking ''Energy and''; and

(2) in subsection (d)(4), by striking ''(b)(3)(C)'' and inserting ''(b)(3)''.

In lieu of the matter proposed to be inserted by the Senate amendment to the title of the bill, insert the following: ''An Act to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements, and for other purposes.''.

Mr. ROTH. Mr. President, I rise in support of ''The Child Support Performance and Incentive Act of 1998'' now before the Senate as amended and urge its immediate adoption.

Today we take another important step forward to help millions of children receive the financial and medical support owed to them by their absent parents. The child support enforcement system involves not only the federal, state, and local governments, but employers, financial institutions, and private sector agents and vendors as well.

By continuing to improve the child support enforcement system, we will help families avoid and escape welfare dependency.

Mr. President, when Congress passed welfare reform nearly two years ago, we sent a clear and unambiguous message that child support is indeed a personal responsibility. It has been with quiet determination that Republican and Democratic members have found common ground and worked together to strengthen and improve the child support enforcement system. The legislation before us today is directed at fulfilling the responsibilities of the states.

The work on this legislation began shortly after the ''Personal Responsibility and Work Opportunity Reconciliation Act of 1996'' was signed into law.

The 1996 welfare reform act required the Secretary of Health and Human Services to recommend to Congress a new, budget-neutral performance-based incentive system for the child support

enforcement program. H.R. 3130 incorporates those recommendations which were developed in consultation with 26 representatives of state and local child support enforcement systems. The new incentive program is the centerpiece of this bill.

Under current law, the federal government returns more than $400 million per year in child support collections to the states as incentive payments. But this incentive structure has been criticized for years as weak and inadequate.

All states, regardless of actual performance, receive some incentive payments. But for more than a decade, performance has not been tied to the national goals of the program.

H.R. 3130 breaks the past and creates five categories in which state performance will be evaluated and rewarded. The states will be measured according to their performance in paternity establishment, establishment of court orders, collections of current child support payments, collections on past due payments, and cost effectiveness.

The new incentive structure is an important development not only for the child support enforcement system but also as a model for improving accountability and performance in government.

The second major feature of this bill is to provide for an alternative penalty procedure for those states that have failed to meet federal child support data processing requirements. Less than half of the states have been certified as in compliance. Without this change, states face not only the loss of their entire child support grant, but all of their funds in the Temporary Assistance for Needy Families program as well.

Such a result would obviously be crippling to a state and would ultimately hurt the very families these programs are intended to help. H.R. 3130 provides for a new mechanism under which HHS and the states will map out a strategic plan to meet the federal requirements. States which do not achieve compliance will face tough but fair penalties.

The alternative penalty procedure is a new tool for both the state and federal governments to achieve compliance with federal requirements in the child support enforcement system. It is not intended to be a means of raising revenue at the expense of the state and potentially at the expense of the very families who rely on this system.

H.R. 3130 also provides additional flexibility to the states in how they design their automated systems. In looking back over the history of automation, we find there were a number of mistakes made at both the federal and state levels which contributed to the delay in getting these systems operational. The child support enforcement system is a prime example of what can happen when regulations fail to keep pace with real world practices.

H.R. 3130 recognizes the advances in technologies and allows states to take advantage of these improvements. It properly refocuses federal policy on function and results rather than on rigid rules.

All of these changes will work together to get the states in compliance as quickly as possible. This will mean the child support enforcement system will work better for the families who depend on child support.

Working with the states and employers, a bipartisan effort has yielded a three part approach to eliminate barriers to effective medical support enforcement. More children will no doubt gain access to their non-custodial parents' private health insurance plans because of H.R. 3130. Children and taxpayers alike will benefit from the medical child support provisions.

H.R. 3130 also makes a correction in how penalties are applied under the new ''Adoption and Safe Families Act of 1997'' which became law last November. It is vitally important that the states be held accountable for assisting the children in foster care.

When Congress passed this legislation last fall, it sent an important message across the country that a child should not be denied the opportunity to be adopted into a loving and caring family simply because the prospective parents live in the next county. The intent of Section 202, ''Adoptions Across State and County Jurisdictions'' is to ensure that states facilitate timely permanent placements for children so their wait in foster care be brief.

A child should not be denied the opportunity to be adopted into a loving and caring family simply because the prospective parents live in the next county.

The intent of P.L. 105–89 clearly is to remove interjurisdictional barriers to adoption. I am deeply concerned about recent reports that some states may in fact be erecting new barriers to families who are seeking to adopt. There are some disturbing reports that some states may be engaging in policies or practices that could create interjurisdictional barriers to adoption such as discontinuance of the registration of waiting families with adoption exchanges outside the state, refusal to share home studies across state lines, and refusal to respond to out-of-state inquiries.

The Secretary should closely monitor any change in state policy or practice which discourages families from seeking to adopt children and take appropriate action if a state is not complying with the law. When the Department of Health and Human Services issues regulations on how the new penalties are enforced, it should of course provide the states with the opportunity to present evidence of how it complies with the new law. The review of this new requirement must be a fair and complete assessment of whether the law is being met.

Mr. President, this is indeed an important, bipartisan bill which will prove itself to pay dividends for Americans' families. I urge its adoption.

I ask unanimous consent that a legislative history be printed in the RECORD to reflect the Senate and House action on H.R. 3130. While there is a cost of $2,009 associated with printing this material, in the RECORD, it is important that our action be clearly explained. Furthermore, this history is in lieu of a conference report which would have been printed in the RECORD, so there is really no additional cost to the taxpayer.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEGISLATIVE HISTORY OF SENATE AND HOUSE AMENDMENTS TO THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998

TITLE I. CHILD SUPPORT DATA PROCESSING REQUIREMENTS

SEC. 101. ALTERNATIVE PENALTY PROCEDURES

1. Eligibility for alternative penalty procedure

Present law

No provision. Under current law, if a State failed to implement a statewide automated data processing and information retrieval system by October 1, 1997 (which is a child support enforcement State plan requirement), the Office of Child Support Enforcement is required to ''disapprove'' the State's child support enforcement plan, after an appeals process, and suspend federal funding for the State's child support enforcement program. Moreover, pursuant to title IV–A (Temporary Assistance for Needy Families; TANF), a State that cannot certify that it has an approved Child Support Enforcement plan when it amends its TANF plan (generally every 2 years), is not eligible for TANF block grant funding. Thus, a State that failed to implement a statewide automated data processing and information retrieval system is in eventual jeopardy of losing its TANF block grant allocation along with its federal Chief Support Enforcement funding.

House bill

If the Secretary determines that a State is making good faith efforts to comply with the data processing requirements and if the State submits a corrective compliance plan describing how it will comply, by when, and at what cost, the State may avoid the penalty in current law and qualify for the new penalty procedure outlined below.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

2. Penalty amount

Present law

As noted above, the penalty for noncompliance with a Child Support Enforcement State plan requirement is loss of all federal Child Support Enforcement funding and all TANF funding as well.

House bill

The percentage penalty is 4 percent, 8 percent, 16 percent, and 20 percent respectively for the first, second, third, and fourth or subsequent years of failing to comply with the data processing requirements. The percentage penalty is applied to the amount payable to the State in the previous year as Federal administrative reimbursement under the child support program.

Senate amendment

Same as House bill, except in the fourth or subsequent year, the percentage penalty is 30 percent.

Agreement

The agreement follows the House bill and the Senate amendment with the modification that the percentage penalty is 4, 8, 16, 25, and 30 percent in the first through fifth and subsequent years respectively.

3. Penalty waiver

Present law

No provision.

House bill

If by December 31, 1997, a State has submitted to the Secretary a request that the Secretary certify the State as meeting the 1998 data processing requirements and is subsequently certified as a result of a review pursuant to the request, all penalties are waived.

Senate amendment

If at any time during year 1998, a State has submitted to the Secretary a request that the Secretary certify the State as having met the 1988 data processing requirement and is subsequently certified as a result of a review pursuant to the request, all penalties are waived.

Agreement

The agreement follows the House bill and the Senate amendment except the State request that the Secretary certify the state as meeting the 1988 data processing requirements must be submitted by August 1, 1998.

4. Partial Penalty Forgiveness

Present law

No provision.

House bill

If a State operating under the penalty procedure achieves compliance with the data processing requirements before the first day of the next fiscal year, then the penalty for the current fiscal year is reduced by 75 percent.

Senate amendment

Under the Senate amendment, States will not face a penalty in the fiscal year in which they come into compliance. Moreover, if a State comes into compliance within the first two years after penalties have been imposed, then the penalty from the prior fiscal year is reduced by 20 percent.

Agreement

The agreement follows the House bill and the Senate amendment with the modifications that there is no retrospective penalty reduction of 20 percent and the penalty reduction in the year of certification is 90 percent. It is expected that the date of certification for a given State will be the date the State informs the Secretary in writing that the State is ready for certification review and the State in fact is certified under that review.

5. Penalty Reduction for Good Performance

Present law

No provision.

House bill

States must comply with all the data processing requirements imposed by the 1996 welfare reform law by October 1, 2000. A State that fails to comply may nonetheless have its annual penalty reduced by 20 percent for each performance measure under the new incentive system (see Title II below) for which it achieves a maximum score. Thus, for example, a State being penalized would have its penalty for a given year reduced by 60 percent if it achieved maximum performance on three of the five performance measures.

Senate enactment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

6. Penalty procedure applies to requirements of 1988 act and 1996 act

Present law

P.L. 104–193 requires that as part of their State child support enforcement plans all States, by October 1, 2000, have in effect a single statewide automated data processing and information retrieval system that meets all of the specified requirements, except that the deadline is extended by one day for each day (if any) by which the Secretary fails to meet the deadline for final regulations on the new data processing requirements (i.e., which is not later than August 22, 1998). The disapproval procedures described above also would apply to these new data processing requirements.

House bill

With the exception of the FY1998 waiver provision, which applies only to the 1988 requirements, and the penalty reduction provision for good performance, which applies only to the 1996 requirements, the new penalty procedure applies to data processing requirements of both the 1988 Family Support Act and the 1996 welfare reform legislation.

Senate enactment

Same as House bill, except the Secretary may only impose a single penalty for any given fiscal year with respect to the establishment or operation of an automated data processing and information retrieval system.

Agreement

The agreement follows the House bill and the Senate amendment with a modification which stipulates that a state may not be penalized for violating the automatic data processing and information retrieval system requirements imposed under Public Law 104–193 if the state is being penalized for violating the automatic data processing requirements of the 1988 Family Support Act. In addition, a State is not subject to more than one penalty at a given time under the data processing requirements of either the 1988 Act or the 1996 Act.

7. Exemption from TANF penalty procedures

Present law

As noted above, States without approved child support enforcement plans are in eventual danger of losing funding for the TANF block grant (which would include supplemental and bonus TANF funding and funding for the Welfare-to-Work program).

The TANF penalty for a State which the Secretary finds has not complied with one or more of the child support enforcement program requirements and has failed to take sufficient corrective action to achieve the appropriate performance level or compliance is subject to a graduated penalty of TANF block grant funds equal to not less than 1% nor more than 2% for the first finding of noncompliance; not less than 2% nor more than 3% for the second consecutive finding of noncompliance; and not less than 3% nor more than 5% for the third or subsequent finding of noncompliance.

House bill

No provision.

Senate amendment

Because States are subject to the penalty procedure outlined above for violations of the data processing requirement, they are exempt from the TANF penalty procedure for such violations.

Agreement

The agreement follows the Senate amendment. In addition the Social Security Act is amended to clarify that TANF money used as matching funds for grants under section 3037 of the Transportation Equity for the 21st Century Act of 1998 can only be spent on the transportation needs of families eligible for TANF benefits and other low-income families. TANF funds used to provide transportation services under section 3037 grants are not considered assistance for purposes of the TANF program.

SEC. 102. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM REQUIREMENT

8. Expansion of waiver provision

Present law

Current law states that the Secretary of the Department of Health and Human Services may waive any requirement related to the advance planning automated data processing document or the automated data processing and information retrieval system if the State demonstrates to the Secretary's satisfaction that the State has an alternative system or systems that enable the State to be in substantial compliance with other requirements of the child support enforcement program. The waiver must also meet the following conditions: (1) must be designed to improve the financial well-being of children or otherwise improve the operation of the child support enforcement program, (2) may not permit modifications in the child support enforcement program which would have the effect of disadvantaging children in need of support, and (3) must not result in increased cost to the federal government under the TANF program; or the State provides assurances to the Secretary that steps will be taken to otherwise improve the State's child support enforcement program.

House bill

The authority of the Secretary to waive certain data processing requirements and to provide Federal funding for a wider range of State data system activities is expanded to include waiving the single statewide system requirement under certain conditions and providing Federal funds to develop and enhance local systems linked to State systems. To qualify, a State must demonstrate that it can develop an alternative system that: Can help the State meet the paternity establishment requirement and other performance measures; can submit required data to HHS that is complete and reliable; substantially complies with all requirements of the child support enforcement program; achieves all the functional capacity for automatic data processing outlined in the statute; meets the requirements for distributing collections to families and governments, including cases in which support is owed to more than one family or more than one government; has one and only one point of contact for interstate case processing and intrastate case management; is based on standardized data elements, forms, and definitions that are used throughout the State; can be operational in no more time than it would take to achieve an operational single statewide system; and can process child support cases as quickly, efficiently, and effectively as would be possible with a single statewide system.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

9. Federal payments under waiver provision

Present law

To be approved for a waiver, a State must demonstrate that the proposed project: (1) is designed to improve the financial well-being of children or otherwise improve the operation of the child support program; (2) does not permit modifications in the child support program that would have the effect of

disadvantaging children in need of support; and (3) does not result in increased cost to the Federal government under the TANF program.

House bill

In addition to the various waiver requirements described in provision #8 above, and to the requirements in current law, the State must submit to the Secretary separate estimates of the costs to develop and implement both a single statewide system and the alternative system being proposed by the State plus the costs of operating and maintaining these systems for 5 years from the date of implementation. The Secretary must agree with the estimates. If a State elects to operate such an alternative system, the State would be paid the 66 percent federal administrative reimbursement only on expenditures equal to the estimated cost of the single statewide system.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

TITLE II. CHILD SUPPORT INCENTIVE SYSTEM

SEC. 201. INCENTIVE PAYMENTS TO STATES

1. Amount of incentive payments

Present law

Each State receives an incentive payment equal to at least 6 percent of the State's total amount of child support collected on behalf of TANF families for the year, plus at least 6 percent of the State's total amount of child support collected on behalf of non-TANF families for the year. [Note: P.L. 98–378, the Child Support Enforcement Amendments of 1984, stipulates that political subdivisions of a State that participate in the costs of support enforcement must receive an appropriate share of any incentive payment given to the State. P.L. 98–378 also requires States to develop criteria for passing through incentives to localities, taking into account the efficiency and effectiveness of local programs.]

House bill

The incentive payment for a State for a given year is calculated by multiplying the incentive payment pool for the year by the State's incentive payment share for the year.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

2. Incentive payment pool

Present law

No provision.

House bill

The incentive payment pool is equal to the CBO estimate of incentive payments for each year under current law. Specifically, the amounts (in millions) for fiscal years 2000 through 2008 respectively are: $422, $429, $450, $461, $454, $446, $458, $471 and $483. Specifying these amounts in the statute assures that the incentive payments will be budget neutral. After 2008, the incentive payment pool increases each year by an amount equal to the rate of inflation.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

3. Calculating incentive payments

Present law

The maximum incentive payment for a State could reach a high of 10 percent of child support collected on behalf of TANF families plus 10 percent of child support collected on behalf of non-TANF families. There is a limit, however, on the incentive payment for non-TANF child support collections. The incentive payments for such collections may not exceed 115 percent of incentive payments for TANF child support collections.

House bill

In addition to the incentive payment pool, incentive calculations are based on the five factors defined below. The general approach is to pay to each State its share of the incentive payment pool based on the quality of its performance on the five incentive performance measures. The five computational factors are:

(1) State collections base is used to ensure that incentive payments are proportional to the amount of child support collected by the State; collections for welfare cases are given double the weight of collections for nonwelfare cases in the calculations;

(2) Maximum incentive base amount is simply a device to give extra weight to three of the five incentive performance measures because these measures are thought to be more important to State performance. Specifically, paternity establishment, establishment of support orders, and collections on current support receive full weight in the calculations, while collections on past-due support and the cost-effectiveness performance level receive a weight of only 75 percent of the other three measures;

(3) Applicable percentage is the actual measure of performance effectiveness and is determined by looking up the raw performance level in a table; there is a different table for each of the five performance measures (see below);

(4) Incentive base amount is the total of the applicable percentages for each of the five performance measures multiplied by their respective maximum incentive base amounts (either 1.00 or 0.75);

(5) State incentive payment share is a percentage calculated by using the four factors defined above. This measure specifies the percentage share of the annual payment pool that each State receives. The State incentive payment share takes into account the State's performance on all five incentive performance measures, the weighting of the five incentive performance measures, its collections in the TANF and non-TANF caseloads, and its performance relative to other States.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

4. Data used to calculate ratios required to be complete and reliable

Present law

No provision.

House bill

The payment on each of the five performance measures is zero unless the Secretary determines that the data submitted by the State for each measure is complete and reliable.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

5. State collections base

Present law

Although the collections base terminology is not used, the incentive payment is based on total child support collected on behalf of TANF families (i.e., TANF collections) plus total child support collected on behalf of non-TANF families (i.e., non-TANF collections).

House bill

The collections base for a fiscal year is the sum of two categories of child support collections by the State. The first category is collections on cases in the State child support welfare caseload. This category includes families that are currently or were formerly receiving benefits from TANF (or its predecessor program Aid to Families with Dependent Children), from Medicaid under Title XIX, or from foster care under Title IV–E. Total collections from this category are doubled in the State collections base calculation. The second category is collections from all other families receiving services from the State child support enforcement program.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

6. Determination of applicable percentages for paternity establishment performance level

Present law

No provision.

House bill

The paternity establishment performance level for a State for a fiscal year is, at the option of the State, either the paternity establishment percentage of cases in the child support program or the paternity establishment percentage of all births in the State. In both cases, the paternity establishment percentage is obtained by dividing the cases in which paternity is established by the total number of nonmarital births. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(A) of the Social Security Act (see Table 1 below).

Special rule for computing the applicable percentage for paternity establishment: If the paternity establishment performance level of a State is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage for the State paternity establishment performance level is 50 percent.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

7. Determination of applicable percentages for child support order performance level

Present law

No provision.

House bill

The support order performance level for a State for a fiscal year is the percentage of cases in the child support program for which there is a support order. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(B) of the Social Security Act (see Table 2 below).

Special rule for computing the applicable percentage for child support orders: If the support order performance level of a State is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage for the State's support order performance level is 50 percent.

Senate amendment

Same

Agreement

The agreement follows the House bill and the Senate amendment.

8. Determination of applicable percentages for collections on current child support due performance level

Present law

No provision.

House bill

The current support payment performance level for a State for a fiscal year is the total amount of current support collected during the fiscal year from all cases in the child support program (both welfare and non-welfare cases) divided by the total amount owed on support which is not overdue. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(C) of the Social Security Act (see Table 3 below).

Special rule for computing the applicable percentage for current payments: If the current payment performance level is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage for the State's current payment performance level is 50 percent.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

9. Determination of applicable percentages for collections on child support arrearages performance level

Present law

No provision.

House bill

The arrearages payment performance level for a State for a fiscal year is the total number of cases in the State child support program that received payments on past-due child support divided by the total number of cases in the State child support program in which a payment of child support is past-due. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(D) of the Social Security Act (see Table 4 below).

Special rule for computing the applicable percentage for arrears: If the arrearages payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arreages payment performance level for the immediately preceding fiscal year, then the applicable percentage for the State's arrearages performance level is 50 percent.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

10. Determination of applicable percentages for cost-effectiveness performance level

Present law

Incentive payments are made according to the collection-to-cost ratios (ratio of TANF collections to total child support enforcement administrative costs and ratio of non-TANF collections to total child support enforcement administrative costs) shown below.

Collection-to-cost ratio:	*Incentive payment received (percent)*
Less than 1.4 to 1	6.0
At least 1.4 to 1	6.5
At least 1.6 to 1	7.0
At least 1.8 to 1	7.5
At least 2.0 to 1	8.0
At least 2.2 to 1	8.5
At least 2.4 to 1	9.0
At least 2.6 to 1	9.5
At least 2.8 to 1	10.0

For purposes of calculating these ratios, interstate collections are credited to both the initiating and responding States. In addition, at State option, laboratory costs (for blood testing, etc.) to establish paternity may be excluded from the State's administrative costs in calculating the State's collection-to-cost ratios for purposes of determining the incentive payment.

House bill

The cost-effectiveness performance level for a State for a fiscal year is the total amount collected during the fiscal year from all cases in the State child support program divided by the total amount expended during the fiscal year on the State child support program. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(E) of the Social Security Act (see Table 5 below).

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

11. Treatment of interstate collections.

Present law

As noted above, in computing incentive payments, child support collected by one State at the request of another State (i.e., interstate collections) are credited to both the initiating State and the responding State. State expenditures on special interstate projects carried out under section 455(e) of the Social Security Act must be excluded from the incentive payment calculation.

House bill

In computing incentive payments, support collected by a State at the request of another State is treated as having been collected by both States. State expenditures on a special interstate project carried out under section 455(e) are excluded from incentive payment calculations.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

12. Administrative provisions

Present law

The Secretary's incentive payments to States for any fiscal year are estimated at or before the beginning of such year based on the best information available. The Secretary makes such payments on a quarterly basis. Each quarterly payment must be reduced or increased to the extent of overpayments or underpayments for prior periods.

House bill

The Secretary's incentive payments to States are based on estimates computed from previous performance by the States. Each year, the Secretary must make quarterly payments based on these estimates. Each quarterly payment must be reduced or increased to the extent of overpayments or underpayments for prior periods.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

13. Regulations

Present law

Not applicable.

House bill

The Secretary of Health and Human Services must prescribe regulations necessary to implement the incentive payment program within 9 months of the date of enactment. These regulations may include directions for excluding certain closed cases and cases over which the State has no jurisdiction.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

14. Reinvestment

Present law

No provision.

House bill

States must spend their child support incentive payments to carry out their child support enforcement program or to conduct activities approved by the Secretary which may contribute to improving the effectiveness or efficiency of the State child support enforcement program.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

15. Transition rule

Present law

Not applicable.

House bill

The new incentive system is phased in over 2 years beginning in fiscal year 2000. In fiscal year 2000, 1/3rd of each State's incentive payment is based on the new incentive system and 2/3rds on the old system. In fiscal year 2001, 2/3rds of each State's incentive payment is based on the new incentive system and 1/3rd on the old system. The new system is fully operational in fiscal year 2002.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

16. Review

Present law

No provision.

House bill

The Secretary of Health and Human Services must conduct a study of the implementation of the incentive payment program in order to identify problems and successes of the program. An interim report must be presented to Congress not later than March 1, 2001. By October 1, 2003, the Secretary must submit a final report. Recommendations for changes that the Secretary determines would improve program operation should be included in the final report.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

17. Study

Present law

No provision.

House bill

The Secretary, in consultation with State IV–D directors and representatives of children potentially eligible for medical support, must develop a new medical support incentive measure based on effective performance. A report on this new incentive measure must be submitted to Congress not later than October 1, 1999.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

18. Technical and conforming amendments

Present law

No provision.

House bill

This section contains two technical and conforming amendments.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

19. Elimination of current incentive program

Present law

No provision. (The current incentive payment system is a permanent provision of law.)

House bill

The current incentive program under section 458 of the Social Security Act is repealed on October 1, 2001. On that date, section 458A is redesignated as section 458.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

20. General effective date

Present law

The current incentive payment system took effect on October 1, 1985.

House bill

Except for the elimination of the current incentive program (see provision #19 above), the amendments made by this legislation take effect on October 1, 1999.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment.

TITLE III. ADOPTION PROVISIONS

SEC. 301. MORE FLEXIBLE PENALTY PROCEDURE TO BE APPLIED FOR FAILING TO PERMIT INTERJURISDICTIONAL ADOPTION

Present law

Under section 474(e) of the Social Security Act (as established by P.L. 105–89), a State is not eligible for any foster care or adoption assistance payments under Title IV–E if the Secretary finds that the State has denied or delayed a child's adoptive placement when an approved family is available outside the jurisdiction with responsibility for handling the child's case, or the State has failed to grant an opportunity for a fair hearing to anyone who alleges that a violation of this provision was denied by the State or not acted upon promptly.

House bill

The current penalty of losing all Federal Title IV–E funds for violating the jurisdictional provision is dropped and a new penalty is substituted. Under the new penalty, States that violate the adoption provision would receive a penalty equal to 2 percent of the Federal funds for foster care and adoption under Title IV–E of the Social Security Act for the first violation, 3 percent for the second violation, and 5 percent for the third and subsequent violations.

Senate amendment

Same.

Agreement

The agreement follows the House bill and the Senate amendment. The intent of a major provision of the Adoption and Safe Families Act of 1997 is to remove interjurisdictional barriers to adoption to ensure that States facilitate timely permanent placements for children. Any State policy or practice that denies a child the opportunity to be adopted across State or county jurisdictions is in clear violation of the Act. The Department of Health and Human Services must develop a comprehensive monitoring strategy to uncover state violations. The new penalties for violating the interjurisdictional provision are aimed at enforcing State plan violations by reducing for a fiscal quarter the amount of money payable to the State by 2 percent for the first violation, 3 percent for the second violation, and 5 percent for the third and subsequent violations. Congress expects the Secretary to carefully monitor changes in State policy on interjurisdictional barriers and to use the new penalties enacted by Congress if necessary.

The Adoption and Safe Families Act of 1997 does not prevent a State from making efforts to preserve or reunify a family in cases of aggravated circumstances, as long as the child's health and safety are the paramount considerations. In addition, the Adoption and Safe Families Act of 1997 establishes a new requirement that States must initiate termination of parental rights proceedings in specific cases that are outlined in the law. However, the law only requires States to initiate such proceedings and does not mandate the outcome. Moreover, the law provides that States are not required to initiate termination of parental rights in certain cases, including when there is a compelling reason to conclude that such proceedings would not be in the child's best interest. Thus, the State retains the discretion to make case-by-case determinations regarding whether to seek termination of parental rights.

TITLE IV. TECHNICAL CORRECTIONS

SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE ESTABLISHMENT AND ENFORCEMENT OF MEDICAL CHILD SUPPORT

Present law

P.L. 104–193 required Employee Retirement Income Security Act (ERISA) plan administrators to honor health insurance orders (i.e. medical support orders) issued by courts or administrative agencies. It appears that many ERISA plan administrators interpreted the statutory language as requiring the actual receipt of a copy of the order itself. Since it is the practice of many CSE agencies to simply notify the ERISA plan administrator that an order has been issued for a case, many plan administrators did not recognize the administrative notice as sufficient to meet the requirements of current law. Currently only 60% of all national child support orders include a medical support component. In its 1996 review of state child support enforcement programs, GAO reported that at least 13 states were not consistently petitioning to include medical support in its general support orders, and 20 states were not enforcing existing medical support orders.

House bill

No provision.

Senate amendment

The Senate amendment requires the Secretaries of the Departments of Health and Human Services and Labor to design and implement a National Standardized Medical Support Notice. Proposed regulations would be required no later than 180 days after the date of enactment, and final regulations no later than 1 year after the Date of enactment. State child support enforcement agencies would be required to use this standardized form to communicate the issuance of a medical support order, and employers would be required to accept the form as a ''qualified medical support order'' under the Employee Retirement Income Security Act (ERISA). The Secretaries would jointly establish a medical support working group, not later than 90 days after the date of enactment, to identify and make recommendations for the removal of other barriers to effective medical support. The working group's report on recommendations for appropriate measures to address the impediments to effective enforcement of medical support is due to the Secretary of Health and Human Services, and the Congress, no later than 18 months after the date of enactment. The Secretary of Labor, in consultation with the Secretary of Health and Human Services, would be required to submit to Congress, not later than one year after the date of enactment of this bill, a report containing recommendations for any additional ERISA changes necessary to improve medical support enforcement.

Agreement

Medical child support is an essential part of any general child support order because it ensures a child will have access to quality private health care coverage to which she or he would not have access even if available to the noncustodial parent through the employer at reasonable costs. It also prevents the misuse of Federal programs such as Medicaid and the State Children's Health Insurance Program as a backdoor alternative for parents who shirk their medical child support responsibilities. Although ERISA already requires that employers enforce medical child support orders if those orders meet certain criteria laid out in that statute (which qualifies them as *Qualified Medical Child Support Orders or QMSCOs),* effective enforcement of medical child support is still thwarted by (1) a lack of standardized communication between the state child support enforcement agencies, parents' employers, and the plan administrators of parents' health insurance plans and (2) uniform process for enforcement. Streamlining the medical support process for ERISA plans and non-ERISA plans alike is essential to ensure that all children receive the medical support for which they are eligible and to which they are entitled.

The agreement follows the Senate provision on medical support with changes. The agreement requires that the Medical Child Support Working Group be established within 60 days after the date of enactment. It is expected that representatives of states, employers, advocacy groups, IV–D agencies and associations, experts in ERISA, and others who must administer this process be invited to participate in the working group. The working group is required to submit its recommendations for appropriate measures to address the impediments to effective enforcement of medical support as well as recommendations on other issues as specified in the statute, to the Secretaries of Health and Human Services and Labor no later than 18 months after the date of enactment. The Secretary of HHS should use its child support technical assistance budget for special projects (per Section 452(j) of the Title IV–D program under the Social Security Act (42 U.S.C. 652(j) as authorized by Section 354(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) to hire an outside facilitator to moderate and staff Workgroup proceedings. The Secretaries are required to submit their joint report to Congress no later than 2 months after they receive the recommendations of the working group.

In general, the agreement would follow the Senate provision with respect to the development and promulgation by regulation of a

National Medical Support Notice to be issued by the States as a means of ensuring that the medical support provisions in a child support order are properly carried out. States' use of the National Medical Support Notice will ensure enrollment of the child in available health care coverage, as appropriate. The National Medical Support Notice (1) is to conform to the provisions specified in section 609(a)(3) of ERISA (irrespective of whether the group health plan is covered by reason of section 4 of such Act), and (2) is to include a separate and easily severable employer withholding notice (which can be made severable in any reasonable manner and not limited to perforated paper). Interim regulations for the National Medical Support Notice would be required within 10 months of the date of enactment, and final regulations no later than 1 year after the issuance of the interim regulations.

The agreement requires State Child Support Enforcement agencies to use the National Medical Support Notice to transfer notice of provision of health care coverage for the child to the non-custodial parent's employer (unless alternative coverage is allowed for in any order of the court or other entity issuing the order). The employer is then required, within 20 business days, to send the national notice, excluding the employer withholding notice, to the appropriate plan providing health care coverage for which the child is eligible. The employer withholding notice is also to inform the employer of applicable provisions of state law (and related information) requiring the employer to withhold any employee contributions due as may be required to enroll the child under such plan.

The agreement requires all plan administrators who receive an appropriately completed National Medical Support Notice to comply with such notice. The plan administrator is then to report back to the State within 40 business days of the date of the Notice whether coverage is available, whether the child is covered and the date of coverage, and if the child is not covered and coverage is available, any steps needed to enroll the child under the plan. The agreement also requires the plan administrator to provide to the custodial parent (or substituted official) any forms or documents (including any health care cards and claim forms) necessary to enroll the child in coverage and ensure access to such coverage. Nothing in this provision is to be construed as requiring a covered group health plan to provide benefits (or eligibility for such benefits) which are not otherwise provided under the terms of the plan.

It is expected that federal plans will also comply with these requirements.

The agreement also applies the requirements of the National Medical Support Notice to certain other plans that are not covered under section 609 of ERISA.

SEC. 402. SAFEGUARD OF NEW EMPLOYEE INFORMATION

Present law

No provision.

House bill

No provision.

Senate amendment

The Senate amendment would impose a fine of $1,000 for each act of unauthorized access to, disclosure of, or use of information in the National Directory of New Hires. It would also require that data entered into the National Directory of New Hires be deleted 24 months after the date of entry for individuals who have a child support order. For an individual who does not have a child support order, the data would be required to be deleted after 12 months.

Agreement

The agreement follows the Senate amendment with modifications. The $1,000 fine is retained and the Social Security Administration (SSA), which maintains the New Hires data base under contract with HHS, must delete the New Hire and wage and unemployment compensation data within 24 months after receipt. However, HHS will not have access to the wage and unemployment compensation data after 12 months for individuals who have not been found to have a child support order. The Secretary may retain data on a sample of cases for research purposes. In addition, the Secretary must inform Congress within 90 days after enactment of the purposes for which the New Hire and wage and unemployment compensation data will be used. The Secretary must also inform Congress at least 30 days before the data is to be used for a purpose not specified in the original report. Within 3 years after enactment, the Secretary must report to Congress on the accuracy of New Hire data and the effectiveness of the procedures designed to safeguard the New Hire information.

SEC. 403. CONFORMING AMENDMENTS REGARDING THE COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR THE PURPOSES OF CHILD SUPPORT ENFORCEMENT

Present law

Federal law (section 205(c)(2)(C) allows any State (or subdivision of the State) to use Social Security account numbers in the administration of any tax, public assistance, driver's license, or motor vehicle registration laws within its jurisdiction to identify individuals affected by such laws.

House bill

No provision.

Senate amendment

The Senate amendment revises the current statute to reflect the social security numbers also must be used by the agencies administering the renewal of professional licenses, driver's licenses, occupational licenses, or recreational licenses to respond to requests for information from Child Support Enforcement agencies; and that all divorce decrees, support orders, paternity determinations and paternity acknowledgments must include the social security number of the applicable individuals for the purpose of responding to requests for information from Child Support Enforcement agencies.

Agreement

The agreement follows the House bill; i.e., no provision.

SEC. 404. CLARIFICATION OF DEFINITION REGARDING HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT OF CHILD SUPPORT

Present law

Federal law (section 466(a)(14) of the Social Security Act, as amended by section 5550 of P.L. 105–33) requires States to conduct ''high-volume automated administrative enforcement,'' to the same extent as used for intrastate cases, in response to a request made by another state to enforce a child support order and promptly report the results of such enforcement procedures to the requesting state. Federal law also defines ''high-volume automated administrative enforcement.''

House bill

No provision.

Senate amendment

The Senate amendment eliminates the definition of ''high-volume automated administrative enforcement'' from the statute.

Agreement

The agreement replaces the definition of ''high-volume automated administrative enforcement'' in current law with a clearer definition. The new definition requires states, upon request from another state in an interstate case, to use automated data matches with financial institutions and other entities to locate the obligor's assets and, when assets are discovered, to seize these asset through levy or other appropriate process. The agreement also includes a provision allowing the Secretary, through the Federal Parent Locator Service, to help States work with financial institutions doing business in 2 or more states. The Secretary may send identifying information to such financial institutions on all individuals who owe past-due child support in any state. The financial institutions will then transmit back to the Secretary the identifying information on individuals who owe past-due support for whom they have accounts; the Secretary will transmit this information back to the state that submitted the identifying information. The State will take appropriate actions to seize the assets. This provision does not allow the Secretary to have access to any financial information on individuals holding accounts in these financial institutions. Multi-state financial institutions that respond to requests for information from the Secretary are not expected to respond to such requests from any state for which they have accepted information from the Secretary. However, states that now conduct these data matches with financial institutions that do business in 2 or more states may continue such procedures until January 1, 2000. This provision is not intended to prohibit a State from requiring any financial institution doing business in the State to report account information directly to the State for purposes other than child support enforcement. Financial institutions that provide identifying information to the Secretary or seize assets at the request of States are not liable under State or Federal law for such actions.

SEC. 405. GENERAL ACCOUNTING OFFICE REPORTS

Present law

No provision.

House bill

No provision.

Senate amendment

The Senate amendment would require the Comptroller General of the United States (i.e., the General Accounting Office) to report to Congress, no later than December 31, 1998, on the feasibility of implementing an instant check system for employers to use in identifying individuals with child support orders. The report is to include a review of the use of the Federal Parent Locator Service, including the Federal Case Registry of Child Support Orders and the National Directory of New Hires, and the adequacy of the privacy protections.

Agreement

The agreement follows the Senate amendment.

SEC. 406. TECHNICAL CORRECTIONS (THIS PROVISION IS SECTION 401 OF THE HOUSE BILL)

Present law

Under section 473A of the Social Security Act (as established by P.L. 105–89), States may receive financial incentives for increasing their number of adoptions of foster children, above an annual base level. In determining the base levels for each State, the Secretary will use data from the Adoption and Foster Care Analysis and Reporting System (AFCARS). However, in determining the base levels for fiscal years 1995 through 1997, the Secretary may use alternative data sources, as reported by a State by November 30, 1997, and approved by the Secretary by March 1, 1998.

Under Section 466(a)(13) of the Social Security Act (as established by P.L. 104–193 and amended by P.L. 105–33), states must have procedures requiring that the social security number of an applicant for a professional license, driver's license, occupational license, recreational, or marriage license be recorded on the application. In addition, the social security number of a person subject to a divorce decree, support order, or paternity determination or acknowledgment must be placed in the records relating to the matter. Also social security numbers must be recorded on death certificates. The statute permits the state to use a number other than the social security number in some cases. If a state chooses this option, it must still keep the social security number of the applicant on file.

The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 required States to collect social security numbers on applications for State licenses for purposes of checking the identity of immigrants by October 1, 2000.

House bill

The current law on alternative data sources to calculate the adoption incentive amount only allowed the use of data reported by States by November 30, 1997 and approved by the Secretary by March 1, 1998. The new provision provides States with an additional 5 months to report data (until April 30, 1998) and the Secretary with an additional 4 months to approve the data (until July 1, 1998).

The House bill changes the January 1, 1998 date in the 1996 welfare reform law pertaining to State licenses to October 1, 2000, or such earlier date as the State selects.

Senate amendment

Same.

Agreement

The Agreement follows the House bill and the Senate amendment with some additional technical amendments. The State data reporting on child support enforcement required under section 469 of the Social Security Act is simplified. The provision on eligibility for services in the Welfare-to-Work program authorized by section 403(a)(5) of the Social Security Act is clarified by allowing states to provide services to noncustodial parents of children who meet the qualifications for benefits under the program. Two sections of the Child Support Enforcement statute at Title IV–D of the Social Security Act regarding the use of the Federal Parent Locator Service (FPLS) are clarified. Language on use of the FPLS for making or enforcing child custody or visitation orders is removed from section 453 where it had been placed inadvertently by legislation enacted in 1997. The language on use of the FPLS in cases of parental kidnaping, child custody, or parental visitation is located in section 463. This statute requires States to receive and transmit to the Secretary requests from authorized persons (State agents, attorneys, or courts). The provisions of section 463, which carefully balance the rights of children, custodial parents, and noncustodial parents, are intended to ensure that the FPLS is used in an even-handed fashion to assist both parents in achieving access to their children under appropriate circumstances. States must honor the requests of noncustodial parents to have access, through local courts, to information in the FPLS if the procedures of section 463 are followed.

TITLE V. IMMIGRATION PROVISIONS

SEC. 501. ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION FOR NONPAYMENT OF CHILD SUPPORT

Present law

No comparable provision. The Immigration and Nationality Act (INA) enumerates a number of reasons why an alien may be ineligible to receive visas and excluded from admission, including the likelihood of becoming a public charge, but failure to pay child support is not among them.

House bill

Amends the INA to makes inadmissible any alien legally obligated to pay child support whose failure to pay has resulted in an arrearage exceeding $5,000, until child support payments are made or the alien is in compliance with an approved payment agreement. Extends applicability to aliens previously admitted for permanent residence (i.e., as immigrants) who are seeking readmission. Authorizes the Attorney General to waive inadmissibility in a given case if he or she: (1) has received a waiver request from the court or administrative agency with jurisdiction over the child support case; and (2) determines that granting the waiver would substantially increase the likelihood that past and future child support payments would be made.

Senate amendment

No provision.

Agreement

The agreement follows the Senate amendment except that the Secretary of HHS is required to write a report, after consulting with the Immigration and Naturalization Service (INS), on the feasibility of enacting the provision on child support enforcement against aliens in the House bill. The report, which must be delivered to Congress within 6 months of enactment, must include an assessment of whether the INS can effectively implement the requirements of the House provision.

SEC. 502. EFFECT OF NONPAYMENT OF CHILD SUPPORT ON ESTABLISHMENT OF GOOD MORAL CHARACTER

Present law

No comparable provision in the reasons given in the INA for a determination that an alien is not a person of good moral character; such a determination is necessary for an immigrant to naturalize.

House bill

Amends the INA to preclude a finding of good moral character, and thus naturalization, if a person obligated to pay child support has failed to do so, with the opportunity to overcome this either by meeting the child support obligation or complying with an approved payment agreement.

Senate amendment

No provision.

Agreement

The agreement follows the Senate amendment; i.e., no provision

SEC. 503. AUTHORIZATION TO SERVE LEGAL PROCESS IN CHILD SUPPORT CASES ON CERTAIN ARRIVING ALIENS

Present law

No comparable provision among the functions Immigration and Naturalization Service (INS) officers are authorized by the INA to perform during the inspections process.

House bill

Amends the INA to authorize INS officers, to the extent consistent with state law, to serve an applicant for admission with a writ, order, or summons in a child support case.

Senate amendment

No provision.

Agreement

The agreement follows the Senate Amendment; i.e., no provision.

SEC. 504. AUTHORIZATION TO OBTAIN INFORMATION ON CHILD SUPPORT PAYMENTS BY ALIENS

Present law

No comparable provision.

House bill

Amends the Social Security Act to authorize the Secretary of HHS to respond to requests by the Attorney General or the Secretary of State with information which, in the opinion of the HHS Secretary, may aid them in determining whether an alien owes child support.

Senate amendment

No provision.

Agreement

The agreement follows the Senate amendment; i.e., no provision.

TABLE 1

If the paternity establishment performance level is—		The applicable percentage is
At least (percent)	But less than (percent)	
80		100
79	80	98
78	79	96
77	78	94
76	77	92
75	76	90
74	75	88
73	74	86
72	73	84
71	72	82
70	71	80
69	70	79
68	69	78
67	68	77
66	67	76
65	66	75
64	65	74
63	64	73
62	63	72
61	62	71
60	61	70
59	60	69
58	59	68
57	58	67
56	57	66
55	56	65
54	55	64
53	54	63
52	53	62
51	52	61
50	51	60
0	50	0

TABLE 2

If the support order establishment performance level is—		The applicable percentage is
At least (percent)	But less than (percent)	
80		100
79	80	98
78	79	96
77	78	94
76	77	92
75	76	90
74	75	88
73	74	86
72	73	84
71	72	82
70	71	80
69	70	79
68	69	78
67	68	77
66	67	76
65	66	75
64	65	74
63	64	73
62	63	72
61	62	71
60	61	70
59	60	69
58	59	68
57	58	67
56	57	66
55	56	65
54	55	64
53	54	63
52	53	62
51	52	61
50	51	60
0	50	0

TABLE 3

If the current payment performance level is—		The applicable percentage is
At least (percent)	But less than (percent)	
80		100
79	80	98
78	79	96
77	78	94
76	77	92
75	76	90
74	75	88
73	74	86
72	73	84
71	72	82
70	71	80
69	70	79
68	69	78
67	68	77
66	67	76
65	66	75
64	65	74
63	64	73
62	63	72
61	62	71
60	61	70
59	60	69
58	59	68
57	58	67
56	57	66
55	56	65
54	55	64
53	54	63
52	53	62
51	52	61
50	51	60
49	50	59
48	49	58
47	48	57
46	47	56
45	46	55
44	45	54
43	44	53
42	43	52
41	42	51
40	41	50
0	40	0

TABLE 4

If the arrearage payment performance level is—		The applicable percentage is
At least (percent)	But less than (percent)	
80		100
79	80	98
78	79	96
77	78	94
76	77	92
75	76	90
74	75	88
73	74	86
72	73	84
71	72	82
70	71	80
69	70	79
68	69	78
67	68	77
66	67	76
65	66	75
64	65	74
63	64	73
62	63	72
61	62	71
60	61	70
59	60	69
58	59	68
57	58	67
56	57	66
55	56	65
54	55	64
53	54	63
52	53	62
51	52	61
50	51	60
49	50	59
48	49	58
47	48	57
46	47	56
45	46	55
44	45	54
43	44	53
42	43	52
41	42	51
40	41	50
0	40	0

TABLE 5

If the cost effectiveness performance level is—		The applicable percentage is
At least	But less than	
5.00		100
4.50	4.99	90
4.00	4.50	80
3.50	4.00	70
3.00	3.50	60
2.50	3.00	50
2.00	2.50	40
0.00	2.00	0

Mr. GRASSLEY. It has come to my attention that some States are engaging in policies or practices that could create interjurisdictional barriers to adoption, such as discontinuance of the registration of waiting families with adoption exchanges outside the State, refusal to share home studies across State lines, and refusal to respond to out-of-state inquiries. The Adoption and Safe Families Act (P.L. 105–89), enacted last year, explicitly established that States shall not take any action that would deny or delay a child's adoption when an approved family is available outside the child's jurisdiction. In light of these recent reports, I urge the Department of Health and Human Services to closely monitor State policy and practice with regard to interstate adoptions to determine compliance with the new law, to immediately report any change of policy or practice in this area to the States, and to impose the full penalty on States which are out of compliance.

I have been told by some organizations which represent the States' interests that they consider Sec. 202 of Public Law 105–89 to be ambiguous and that the Adoption and Safe Families Act did not necessarily prohibit creating barriers to adoption. Let me make this very clear, while the Adoption and Safe Families Act does not specifically declare that States shall not create barriers to adoption, Congresssional intent is clear that any action that delays an adoption, when an approved family is available, would be a violation of the law. Thus, policies that might result in such delays would be inconsistent with the law's intent. Particularly when viewed in the context of the entire Adoption and Safe Families Act, which is designed to promote and expedite adoptions, there can be no confusion about Congressional intent. In addition, this requirement is not inconsistent with other provisions in federal child welfare law that require States to recruit a diverse pool of potentially adoptive families, nor should it discourage States from developing adoptive families within their own borders. The overall goal is to place children for adoption with approved families without any unnecessary delay. Simply put, the law establishes that States shall not discriminate in adoptive placements on the basis of geography.

Let me give you examples of created barriers: any refusal to return phone calls from outside the agency's jurisdiction; the suggestion that agencies have a property right which permits them to withhold a homestudy from a preadoptive family; the imposition of conditions on families from outside the jurisdiction which are different in quantity or quality from conditions imposed on families within the jurisdiction; or, the refusal to accept home studies performed by duly licensed social workers from another jurisdiction without good cause to believe those social workers are dishonest or incompetent.

We have a national crisis on our hands. Thousands of children are waiting for families to adopt them. If we don't recognize this, children will continue to live out their childhoods in foster care. Territory and turf should not come between waiting children and adoptive families. Any barrier created to deny or delay an adoptive placement is an injustice. Although States can spend hundreds of dollars recruiting adoptive families, they need to remember, they do not own these families. Their recruitment efforts contribute to a national recruitment effort for the nation's waiting children, not just their State's children. I recognize that many states are pulling out all the stops for kids. But they cannot do all the work. We all must do everything we can to ensure that children are united with loving, nurturing families, and we cannot let geography get in the way.

Mr. ROCKEFELLER. Mr. President, I am pleased to join my colleagues in support of the Child Support Performance and Incentive Act of 1998. It is my firm belief that this legislation will significantly improve the financial stability, health and well-being of millions of American children. My most sincere thanks to Senators SNOWE, KERRY, JEFFORDS and DODD, who cosponsored the Child Support Performance Improvement Act of 1997, the bill that laid much of the groundwork for this legislation in the Senate. I would like to thank Senator JIM JEFFORDS in particular for his help in securing the inclusion of vital medical child support enforcement provisions in this legislation. I would also like to express my appreciation to my colleagues Senators TED KENNEDY and DAN COATS for their unwavering commitment to children and for their work on securing better medical child support enforcement.

There is no doubt that child support penalties and incentives payments simply do not generate the flash and natural interest that other children's issues do. The Child Support Performance and Incentive Act of 1998 addresses some very complicated financing formulas, complex interactions between the Federal government and state child support enforcement agencies and hidden budget implications. Despite its plain wrapping, however, effective child support enforcement is one of the most important roles the Federal government plays in facilitating a real continuum of quality benefits and services for children in this country.

In my role as Governor of West Virginia and later as Senator and Chairman of the National Commission on Children, my ultimate goal has always been the same: to make sure that all children receive the specialized supports necessary to address a wide range of financial, emotional and medical needs. Child support is one of the most vital sources of support for millions of American children, and the Child Support Performance and Incentive Act of 1998 strengthens state enforcement of

these obligations in a variety of areas. I am proud of the fact that my state works hard to enforce its child support obligations and does an excellent job. It is my hope that this legislation will encourage West Virginia and other states do their job even more effectively.

One of the most important and, unfortunately, overlooked areas of child support is the enforcement of medical child support (that is, health insurance or medical costs covered by the non-custodial parent). Since 1984, Federal law has required state child support enforcement agencies to pursue medical support as part of every child support order. Despite this requirement, only 60% of national child support orders contain a medical support component. In its 1996 review of state child support enforcement programs, GAO found that at least 13 states were not consistently petitioning to include medical support in their general support orders, and 20 states were not enforcing existing medical support orders at all.

Such limited enforcement of medical support is dismal, particularly in light of the fact that health insurance and premiums provided through a non-custodial parent's health plan are often a child's only chance for comprehensive medical care. My colleagues and I have worked very hard to make sure that Federal programs such as Medicaid and the Children's Health Insurance Program provide quality health care for children whose families cannot afford to cover them. While no one could care more about these Federal programs than I do, they are not designed to be and should not be misused as a backdoor for parents who shirk their medical support responsibilities.

Unfortunately, effective medical child support enforcement is thwarted by a lack of standardized communication between state child support enforcement agencies and the employers and plan administrators responsible for the non-custodial parent's health plan. This is particularly true for health plans that are governed by the Employment Retirement Income Security Act (ERISA) which represent 50% of all employer health plans. With 700,000 children dependent on medical support through ERISA-governed plans and an additional 1,000,000 children dependent on medical support through non-ERISA governed medical plans, it is essential that communication between states, employers, and plan administrators be as efficient as possible.

The Child Support Performance and Incentive Act of 1998 seeks to improve enforcement of medical support in two ways. First, it orders the Secretary of the Department of Health and Human Services to develop a medical support incentive measure which would base a percentage of each qualified state's annual Federal incentives payment on its ability to establish and enforce medical child support. If implemented by Congress, this sixth performance measure would be added to the first five already included in this legislation: (1) establishment of paternity; (2) establishment of child support orders; (3) enforcement of current child support orders; (4) enforcement of back child support (or ''arrearages''); and (5) cost effectiveness. Once HHS develops this medical child support incentive measure, Congress has the responsibility to make sure it becomes part of the overall incentives program.

The Child Support Performance and Incentive Act of 1998 also takes another important step towards effective medical support enforcement by requiring the Secretaries of the Department of Human Services and the Department of Labor to develop a National Medical Support Notice as a means of enforcing the health care provisions of a child support order. Under this new requirement, all states would be required to use and all employers and plan administrators would be required to accept the National Medical Support Notice as a qualified medical child support order under ERISA.

This standardization is an essential step in ensuring that everyone is on the same page when it comes to providing eligible children with the health care coverage they deserve. The legislation also requires HHS and DoL to bring together a Medical Child Support Work Group composed of employers, plan administrators, state child support directors, and child advocates which will recommend additional ways to remove the remaining barriers to effective medical support. We have also required that HHS and DoL submit their recommendations for further legislative solutions to improve medical support, including any necessary changes to ERISA.

With $15 to $25 billion each year in uncollected child support, we have a long way to go to strengthen our national and state child support systems. I am hopeful, however, that the changes brought about in this legislation make significant progress towards the ultimate goal of ensuring child support for every child who is entitled to it. In that regard, I am particularly pleased that medical child support enforcement is finally receiving the attention it deserves in the context of these broader changes.

Mr. JEFFORDS. Mr. President, yesterday the House of Representatives passed H.R. 3130, the Child Support bill by unanimous consent. Today, the Senate will pass the same bill. One provision in the bill affects qualified medical child support orders, a provision in the Employee Retirement Income Security Act (ERISA), and a matter under the jurisdiction of the Committee on Labor and Human Resources. Senators KENNEDY, COATS and myself were conferees on that provision.

I would like to express my appreciation to Senator ROTH for including a description of the changes we agreed upon in his explanatory material. It is terribly important that this explanation be made a part of the legislative history on medical child support orders..

There are 700,000 children in the United States today who are eligible for medical support from a non-custodial parent. All too often when the States attempt to enforce a medical child support order, the plan sponsors have had fiduciary concerns regarding some aspect of the medical support order and, consequently medical benefits were denied to the child. Hopefully, this legislation will alleviate those concerns and more children will be covered under private health benefit plans. The legislation requires the Departments of Health and Human Services and Labor to quickly promulgate a model Medical Support Order form that States must use to collect medical support for children. It also requires those Secretaries to appoint and to collaborate with a Working Group to improve the process by which these medical support orders are implemented.

I am happy that we were able to reach agreement on this important language. I want to take this opportunity to thank Senators KENNEDY and COATS, and their staff, for all their assistance. Also, I thank Chairman BILL GOODLING of the House Workforce Committee, Chairman BILL ROTH of the Senate Finance and Senator JAY ROCKEFELLER, for their help and guidance in reaching an agreement. In particular, Mr. Bill Sweetnam, Senior Counsel to the Finance Committee and Ms. Mary Bissell of Senator ROCKEFELLER's staff provided the technical expertise, knowledge of State programs and support we needed to finish the job.

I look forward to the Labor and Human Resources Committee exercising its oversight authority to see that this legislation is properly implemented and that we work toward improving collection of medical child support for every child to which such support is legitimately owed.

Mr. MOYNIHAN. Mr. President, I rise today in support of H.R. 3130, the Child Support Performance and Incentive Act of 1998. This legislation contains two important components to improve child support collections: a better system of making incentive payments to states for their performance in collecting child support and a new penalty system to help ensure that state child support systems meet basic data processing standards. While both of these components are rather technical, they do represent concrete steps forward and should result in thousands of children—many of them poor—receiving critical financial assistance from absent parents, something all too many poor children do not receive today.

In addition, the bill contains provisions to improve enforcement of the medical aspects of child support and to help ensure data privacy. These latter provisions we owe to the hard work of my colleagues Senator ROCKEFELLER and Senator BAUCUS, and I thank them for these improvements to the legislation.

Mr. President, I urge H.R. 3130 be passed.

Mr. GRAHAM. Mr. President, I would like to commend the efforts of the conferees of the Child Support Performance and Incentive Act of 1998 for the hard work they have done to secure passage of child support reform legislation. The legislation that has passed the House and Senate represents a significant victory for children who are getting the support they need from both parents. I am pleased that the conferees accepted a provision offered by Senator GRASSLEY and I to further enhance the states' efforts along with banks to streamline the matching process that is required to gather financial information to support our children.

The changes we have proposed through this provision will allow the Federal Parent Locator Service to aid our State agencies in their collection efforts. Financial institutions doing business in two or more States would be able to use the Federal Parent Locator Service to assist them in matching data for child support enforcement purposes. The language included in this provision will provide a structure for a centralized and coordinated matching process, thereby streamlining data matches for the financial institutions and state child support enforcement programs. We believe that such measures will prevent the duplication of efforts by states and banks and assist us in the ultimate aim of getting more money to more children more quickly.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate concur to the amendments of the House to the amendments of the Senate to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar: No. 634, which is Major General Jack Klimp to be lieutenant general; 655, through 661. That is a whole series of ambassadorial nominations reported by the Foreign Affairs Committee on June 23; 664–673; 698, which is William Massey, to be a member of the Federal Energy Regulatory Commission; 699, Michael Copps to be an Assistant Secretary of Commerce; and 700, Awilda R. Marquez, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, and the nomination on the Secretary's desk in the Foreign Service.

I further ask unanimous consent the nominations be confirmed, the motion to consider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

MARINE CORPS

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Jack W. Klimp, 0000

DEPARTMENT OF STATE

Nancy E. Soderberg, of the District of Columbia, to be an Alternate Representative of the United States of America to the Sessions of the General Assembly of the United Nations during her tenure of service as Alternate Representative of the United States of America for Special Political Affairs in the United Nations, to which position she was appointed during the last recess of the Senate.

Nancy E. Soderberg, of the District of Columbia, to be Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador, to which position she was appointed during the last recess of the Senate.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Vivian Lowery Derryck, of Ohio, to be an Assistant Administrator of the Agency for International Development.

DEPARTMENT OF STATE

Shirley Elizabeth Barnes, of New York, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Madagascar.

Charles Richard Stith, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

Eric S. Edelman, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Finland.

Nancy Halliday Ely-Raphel, of the District of Columbia, a Career Member of the Senior Executive Service, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Slovenia.

William Davis Clarke, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Eritrea.

George Williford Boyce Haley, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Gambia.

Katherine Hubay Peterson, of California, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Lesotho.

Jeffrey Davidow, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

John O'Leary, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chile.

Michael Craig Lemmon, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Armenia.

Rudolf Vilem Perina, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Moldova.

Paul L. Cejas, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

Cynthia Perrin Schneider, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

Kenneth Spencer Yalowitz, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Georgia.

FEDERAL ENERGY REGULATORY COMMISSION

William Lloyd Massey, of Arkansas, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2003. (Reappointment)

DEPARTMENT OF COMMERCE

Michael J. Copps, of Virginia, to be an Assistant Secretary of Commerce.

Awilda R. Marquez, of Maryland, to be Assistant Secretary of Commerce, and Director General of the United States and Foreign Commercial Service.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

Foreign Service nomination of John M. O'Keefe, which was received by the Senate and appeared in the Congressional Record of September 3, 1997

NOMINATION OF MICHAEL J. COPPS'S TO BE ASSISTANT SECRETARY OF COMMERCE FOR TRADE DEVELOPMENT

Mr. HOLLINGS. Mr. President, I urge this body to confirm Michael J. Copps to be the Assistant Secretary of Commerce for Trade Development. Mike Copps has been enormously effective as the Deputy Assistant Secretary of Commerce for Basic Industries; the sooner the Senate approves his nomination, the sooner he can go to work to further our nation's economic interests and develop new trade opportunities for American industry.

It has been my privilege to know Mike Copps for over 25 years. He served on my staff for 15 years and was my administrative assistant for over a decade. In that time, I came to know and respect Mike; and today there is no one whose judgment I value more highly or in whose abilities I place greater confidence. In fact, Mr. Chairman, I can think of no one better suited to serve as the Assistant Secretary of Commerce for Trade Development than Michael Copps.

Mike is a man of measured judgment and extraordinary maturity, and he possesses a keen, analytical mind. I can state from personal experience that he is the consummate chief of staff—cool and collected, Mike Copps leads by example. In moments of crisis, he was calm. In times of indecision, he was resolute. And he always demonstrated high-minded principle and professionalism.